

No 61,209

Sadat's killers executed

Five Muslim fundamentalists were executed in Egypt for the assassination of President Sadat, hours after their pleas for mercy had been rejected by President Mubarak. Two who had military status were shot by a firing squad and three civilians were hanged at a military base outside Cairo. Page 4

Takeover after savings panic

The United States Government has seized control of one of the country's biggest savings and loans associations after nervous savers withdrew more than \$70m in a week. The move, reminiscent of the 1930s, has been described as "nationalisation". Page 11

Mailer protégé sentenced

Jack Henry Abbott, the criminal who became Norman Mailer's protégé, was sentenced in New York to 15 years to life imprisonment for stabbing to death a 22-year-old waiter with whom he had an argument. Page 5

Warsaw protest

Lecturers and students at Warsaw University are protesting against the dismissal of Professor Henryk Samsonowicz as rector. The fear that this may herald a toughening of the Polish leadership's policy towards universities. Page 5

Teachers split

The National Union of Teachers voted against corporal punishment in schools, while the National Association of Schoolmasters/Union of Women Teachers favoured its use at teachers' discretion. Back page

Flags for Queen

Ottawa was decked with flags to celebrate the arrival of the Queen to proclaim the break-up of Canada's final constitutional link with Britain. Page 5

Family relief

President Reagan has proposed a controversial and costly programme of tax relief for families whose children attend private and religious schools. Page 5

Mellish at risk

Mr Robert Mellish, MP for Southwark, Bermondsey, could be expelled from the Labour Party as a result of moves now set in motion. Page 2

Pope's talks

There will be no significant reduction in the time the Pope spends in discussion with church leaders at Canterbury, despite reports that it would be halved. Page 2

Thames site

Eight models for the £200m development at Vauxhall bridge on the south bank of the Thames in London went on public show. Page 3

TV actor dies

Arthur Lowe, the actor best remembered for his role in the television series *Dad's Army*, died at Birmingham General Hospital yesterday after a stroke. He was 66. Page 6

Borg to qualify

Björn Borg was told last night he has to qualify for Wimbledon if he wishes to play in the championships beginning June 21. Page 6

Preview

In Preview: The Times entertainment lift-out guide, this week: London's repertory cinemas, the BRF roars again at Silverstone, Jacobi and Cusack at Stratford-upon-Avon.

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Letters: On cricket in South Africa, from the President of the South African Cricket Union; trade union law, from Mr A. J. P. Doyle; Church government, from Mr Frank Field, MP.
Leading articles: Middle East: Nuclear weapons; Features, page 6
How poor nations are missing out on the sea's riches; home truths from the South Atlantic, by David Watt; hibernation for humans? Gintuary, page 8
Mr Arthur Lowe, Mr Terence Parry.

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Thatcher puts off break after naval alert

By George Clark

With the possibility that the Argentine Government may provoke a naval engagement with British submarines in the Maritime Exclusion Zone around the Falkland Islands in the next 24 hours, Mrs Thatcher cancelled plans to travel to Chequers last night for a period of relaxation. The mood of Ministers and officials in Whitehall changed dramatically during the day, after reliable reports had been received from intelligence sources that units of the Argentine Navy were preparing to put to sea. Mrs Thatcher crossed from Downing Street to the Department of Defence to get an up-to-date briefing on the situation from the Chiefs of Staff and remained there for two and a half hours. She was accompanied by Mr John Nott, Secretary of State for Defence, Mr Francis Pym, the Foreign and Commonwealth Secretary, and Mr William Whitelaw, the Home Secretary.

Later at Downing Street, she had talks with other Ministers, and then let it be known that she would not be going to Chequers after all. She wanted to remain in London to receive information direct from the blockading zone. There is a suspicion in Whitehall that the Argentine Government might send naval units to sea, and order them to sail along the edge of the prohibited zone. Earlier in the day, Whitehall officials were taking a more relaxed view of the crisis, referring to a "hull" in diplomatic and military activity while Mr Alexander Haig, the American Secretary of State, flew from Washington to Buenos Aires with "new ideas" for a peaceful settlement.

What the "ideas" were, no one would disclose. The one firm, consistent line coming from Downing Street was that Mr Haig knew, without doubt, that Mrs Thatcher and the British Government would not consider any diplomatic solution until the Argentine invaders had completely withdrawn from the Falkland Islands.

There are signs that some MPs would not reject the idea of a United Nations peace-keeping force replacing the Argentine ships when they got out, but the Government is not willing to consider it. British sovereignty must be restored before any other solution can be contemplated, Ministers said. During the discussions at the Department of Defence, it was agreed that more merchant ships would be chartered if the need arose. When the Prime Minister returned to Downing Street it was clear that the "hull" had been replaced by an alert, and all Ministers are remaining in close touch with emergency ministerial meetings are called.

There was great anxiety in Government circles about the impression being given in some reports that Mrs Thatcher and other Ministers were angry with the United States Government for not imposing economic sanctions on Argentina. It was emphasized that if Mr Haig is effectively to continue his role as "honest broker," he has to retain the confidence of both sides in the dispute, and that the British Government is grateful to him.

It was being pointed out that the United States has imposed an arms embargo, and is firm in its defence of democracy, and that there can be no doubt in the minds of the Argentine rulers that, if the peace effort fails, the weight of the economic and trade sanctions which the United States could impose would be crippling. What Ministers think and say about the actions and words of Mrs Jean Kirkpatrick, the United States Ambassador to the United Nations, is another matter. One Minister said: "Her appearance at the dinner party with the Argentines was deplorable. We are not impressed by her performance at all."

Ministers said they had to accept that it must be for the United States Government to judge what it could or should not do in order to carry out the role it had chosen.

The possible sailing of more units of the Argentine Navy in the general direction of the Falkland Islands was announced by the Ministry of Defence last night. Later reports that they had already left were not immediately confirmed in London (Henry Stanhope writes).

British naval intelligence does not expect them to cross into the 200-mile zone (MEZ) established around the islands by hunter-killer submarines last Monday. A spokesman, quoting "some indications" of imminent naval movements in Argentina, said Whitehall could only speculate on their intentions.

The gravity of the crisis was reflected in the briefing given by the Chiefs of Staff to the Prime Minister and other Ministers. It is also clear that a call-up of the reserves is under review, though "no decision" is thought to be imminent.

The Ministry of Defence still refuse to confirm Argentine claims that two 30-foot police patrol craft and broken through the MEZ on Wednesday night and reached Port Stanley. Earlier Argentine publicity about the exploits of their patrol boats has already been disputed by the Ministry. On the other hand, a Ministry statement last night to the effect that no "major" warship had yet broken the Royal Navy's blockade, was in itself significant. Officials agreed that "major" would not usually describe a patrol boat.



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Mr Ronald Lamb, the Falklands chief of police, holds up a pebble from the beach where the Argentine invaders landed as he arrives at Gatwick. Mr Rex Hunt, Governor of the Falklands, (right) greets the islanders.

Falklands invaders go begging for food

By David Hewson

Mr Dick Baker, the expelled Chief Secretary of the Falklands, said yesterday when he arrived in Britain that Argentine soldiers on the islands were so hungry they had taken to begging for food.

He told reporters at Gatwick Airport after flying in with 30 exiled Falklanders: "They came to the doors, they came to mine. They told me in sign language what they wanted."

They looked very miserable. People are giving them food, as we did. As my wife said, it could be your own son standing there. They have even started to kill sheep.

Half of the group which arrived in Britain yesterday had been expelled by the Argentines. The rest had left for family or medical reasons. Mr Rex Hunt, the exiled governor who was ordered out shortly after the invasion, met the party at the airport and was given an emotional welcome.

Mr Ronald Lamb, the chief constable, stepped off the aircraft holding a pebble from the invasion beach and said that he wanted to return to pick up another. A woman islander threw her arms around Mr Hunt and asked when she would be able to go back to her home.

But most of the party was in a subdued mood after the 11 hours 30 minutes flight from Brazil, where they had travelled after being flown from the Falklands to Montevideo.

Mr Baker said: "Morale amongst Falkland Islanders is very good indeed. Morale amongst the occupying forces I'm not so sure about."

"My main impression among the young soldiers is that they are very upset because they are not received with open arms which they would like to believe they would be."

Continued on back page, col 2

27 years for the Terence May gang

By David Nicholson-Lord

Ten young blacks were sentenced to a total of 27 years and six months in prison or detention at the Central Criminal Court yesterday for their part in a night of violence in Thornton Heath, south London, last year which culminated in the stabbing to death of a disabled white youth.

The sentences, which included one of eight years for manslaughter on Ronald Pilgrim, aged 24, and one of the leaders of the riot, were greeted with crying and gasps of disbelief from the crowded public gallery filled with defendants' relatives.

Pilgrim's common-law wife was removed from the gallery screaming: "He is innocent." On his way out of the dock, Pilgrim called Mr Justice Farquharson a "dirty bastard."

Garry Huggins, aged 23, was jailed for five years for riot. The judge described him as the "mastermind" of an attack on a public house in Thornton Heath. "You set off a train of violence that night that culminated in that dreadful tragedy," the judge said.

Mr Justice Farquharson told the defendants that he accepted their evidence of provocation and insults from whites in the days before the attack, and they also had to face prejudice because of their colour. But the revenge they took on innocent people was "out of all proportion."

He added: "I entirely reject any suggestion that you are justified in any way in what you did."

The ten, aged from 16 to 24, had been found guilty of 16 charges of riot, five of affray and in one case of the manslaughter of Terence May, aged 19. The sentences

Background, page 2
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Israeli soldier cleared of one Muslim killing

From Christopher Walker, Jerusalem, April 15

Israeli police sources confirmed today that only one of the two Muslims killed during Sunday's shooting on the holy Temple Mount in Jerusalem could have been shot by the prime suspect, Mr Allan Goodman, an Israeli soldier now in custody.

The police investigators' findings follow claims by local Arab leaders that other gunmen may have been involved in the shootings which caused an Arab eurore throughout the occupied territories and many parts of the Muslim world. It has been reported that thousands of rounds of ammunition were fired in the area on Sunday.

The police sources base their findings on the place where the second victim, Mr Jihad Ibrahim Bader, aged 21, was standing when he was hit in the chest by a single bullet. It is also believed that he was killed sometime after Mr Goodman had emptied his M16 rifle of ammunition and been apprehended by the security forces.

According to Mr Bader's family, he fell wounded in Souk Al-Kattanin opposite the main entrance to the Dome of the Rock at about 10.30 am, while Mr Goodman was apprehended almost an hour earlier. As yet, the police have not released details about the

Railmen in crisis talks over job cuts

By Donald Macintyre

The three rail unions are to hold a two-day crisis meeting with British Rail next month to discuss the network's future in the light of figures forecasting a £165m group trading loss for 1982, given by the board yesterday.

Sir Peter Parker, British Rail chairman, yesterday told the unions that two thirds of the loss would directly result from the crippling strikes earlier in the year during the train drivers' dispute.

He said the board was seeking to shed 5,000 jobs in BR's 13 railway workshops by 1986 to reduce spare capacity. Unions expect BR to announce plans to close three out of four of the workshops. Urgent talks are to begin on the issue soon.

Board members made clear yesterday that they would not discuss the unions' annual pay claim, for "substantial" rises close to the inflation rate, until the flexible rostering issue at the heart of the train drivers' dispute was settled.

Lord McCarthy's tribunal is reviewing the dispute, which arose from the Associated Society of Locomotive Engineers and Firemen's refusal to accept an end to their eight-hour day, but is not expected to report this month.

Union leaders, impatient for firm commitments on electrification from Mr David Howell, Secretary of State for Transport, have also been told that the minister is not prepared to discuss rail investment with the unions until the dispute is resolved.

The engineering workshops surplus results partly from new technology and partly from the recession and the failure to win adequate export orders. BR estimates that by the end of this year it will have 3,500 more men than it needs.

The losses will be in addition to the 7,000 posts BR intends to cut this year as part of its overall programme to reduce jobs by 35,000 from 1980 to 1985.

Sir Peter told the unions bluntly yesterday that, while some progress had been made in recovering freight business lost during the Aslef dispute, BR had been less successful on the passenger and parcels side. The 1982 loss is likely to be more than three times that for 1981, which although not yet published is understood to be less than £50m.

Mr Sidney Weighell, general secretary of the National Union of Railwaymen, said last night that Sir Peter had seen the difficulty of avoiding conflict. "There is going to be a state-of-the-nation discussion so that if we are going to have to fight at least we will know what we are fighting about."

Other sentences: Pilgrim, five years for riot and affray, to run concurrently with the manslaughter sentence; Collins, four years concurrently for riot and affray; Garnett Hanson, aged 16, two years for riot and affray; Paul Brown, 18, and Norman Dawkins, 19, borstal training for riot; Derek Chambers, six months for riot.

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Sir Monty Finniston

"I look for effective action..."

"I look for effective action from any organisation. That is why I admire Help the Aged, for it gets on with the job, the vital job of helping old people in real need in a thoroughly practical yet friendly way. And with the minimum of red tape and the maximum mobilisation of voluntary efforts - which is why it achieves such a great deal with the money it is given."

You are likely to have gained your capital by diligence, so will want whatever you have used with similar thrift and care when you are no longer here.

Even on an estate totalling no more than £60,000 the tax burden can be an unpleasant surprise to your heirs - and you will have no choice in the way that tax is used.

Yet tax can be substantially reduced if you wish charitable work to benefit from a legacy. Thanks to the Chancellor's budget, charitable gifts up to £250,000 are now disregarded in assessing duty. It means that, for example, on an estate of £130,000 a charity legacy of £1,000 need cost your estate only half that amount.

And you, not officials, decide how that money is to be used when making the legacy. There are few needs greater than the increasing problems of old people: acute loneliness, frailty as they live longer, bad housing and, overseas, severe hunger. Help the Aged is well-known for its enduring work in providing flats, day centres, mini-buses, medical research and much more in Britain; and for its work for the hungry overseas. Help with a legacy of continuing value.

How to Reduce Capital Transfer Tax and Making Your Will - two helpful booklets with much useful information, free on request from: The Hon. Treasurer, The Rt. Hon. Lord Maybray-King, Help the Aged, Room T4L, 32 Dover Street, London W1A 2AP.

NEWS IN SUMMARY

Castle may become study centre

Llanged Castle, one of the principal creations of the late Sir Clough Williams-Ellis, the architect who designed the Italianate Portmeirion village in Gwynedd, is on the brink of being purchased by a London-based company, Millennium, which plans to use the house as a centre for the arts and sciences and for conferences.

Llanged stands between Brecon and Builth Wells, Powys. There has been concern about the state of decay of the property, which has not been lived in by its owner, Mr Gerald Chichester, for some ten years. Mr Chichester was refused permission by Brecon Borough Council to demolish the house because it is a listed property.

Mr Hugh Berger, a director of Millennium, said restoration might cost more than £400,000.

Bergman illness report denied



Reports that Miss Ingrid Bergman, who was gravely ill in London with a fresh outbreak of cancer were denied last night (Derek Barnett writes).

A reliable source said: "She is really okay". Miss Bergman, who is 66, has had two mastectomies, in 1974 and 1979.

□ In New York yesterday a spokesman for Miss Bergman's agent said the actress had spent a short time in hospital "but is now back home in London and feeling better". Miss Bergman is aware of all the interest in her health and thanks everyone for their concern.

Correction

In the report on April 13 of the Plessey sit-in at Buzhgate, the passage referring to political reaction should have read: "Mr Tam Dayrell, the local Labour MP, hailed the decision as a 'victory for the workers'". Mr James Sillars, the Scottish National Party chairman, predicted that other threatened Scottish workers would follow the Plessey example."

Overseas selling prices
Austria Sch 28; Bahrain BD 0.650;
Belgium B 11.30; Canada C 5.30;
Ceylon C 1.25; Cyprus C 5.00;
Denmark D 7.00; France F 7.00;
Germany G 7.00; Greece Gr 7.00;
Hong Kong H 7.00; India I 7.00;
Ireland I 7.00; Israel IR 1.35;
Italy L 1.35; Japan J 1.35;
Lebanon L 1.35; Kuwait K 1.35;
Lithuania L 1.35; Luxembourg L 1.35;
Malaysia M 7.00; Malta M 7.00;
Morocco M 7.00; New Zealand N 7.00;
Norway N 7.00; Oman O 7.00;
Pakistan P 7.00; Portugal P 7.00;
Qatar Q 7.00; Saudi Arabia S 7.00;
Singapore S 7.00; South Africa S 7.00;
Spain S 7.00; Sri Lanka S 7.00;
Switzerland S 7.00; Taiwan T 7.00;
Thailand T 7.00; Turkey T 7.00;
UAE U 7.00; Venezuela V 7.00;
Yugoslavia Y 7.00.

Labour moves to expel 'rebel' Mellish

Moves that could lead to the expulsion from the Labour Party of Mr Robert Mellish, MP for Southwark, Bermondsey, were set in motion yesterday after his decision to back independent candidates in next month's local government elections.

Last night Mr David Hughes, Labour's national agent was considering evidence provided by Bermondsey's constituency party after the disclosure in *The Times* that Mr Mellish is backing three independent who are standing against official Labour candidates in the Riverside ward of Southwark, south-east London.

Mr Mellish, an MP for 36 years and a former Labour Chief Whip, confirmed yesterday that he had encouraged Mrs Coral Newell, a Labour councillor rejected as a party candidate, to stand as an independent in the elections for Southwark borough council.

He intends to spend for Mrs Newell, Mr James Patrick and Mrs Barbara Burgess, who are standing as Independent Labour and Tenant candidates. Neither Mr Patrick nor Mrs Burgess is a member of the Labour Party.

Mr Mellish said yesterday he was backing Mrs Newell and her colleagues because "the three official Labour candidates are rubbish". He added: "They were selected at a ward meeting in a manner, I consider was disgraceful. The meeting was packed with squatters."

"If I had not decided to give support to people like her I would have been held in contempt by local Bermondsey people. I do not care what Bermondsey Labour Party thinks, says or does."

A leaflet distributed to electors backing the three independents quotes Mr Mellish as giving them the

support. Next week a letter from the MP will be sent out urging voters to support the trio.

A copy of the leaflet has been sent to Mr Hughes. He can recommend that an inquiry be set up, which could propose the expulsion of Mr Mellish from the party.

A similar recommendation could be made by Lewisham West constituency Labour Party, which covers the area where Mr Mellish lives, Labour officials said yesterday.

Mr Donald Shiach, chairman of Bermondsey CLP, said yesterday: "We are astonished that Bob Mellish should take this decision."

Mrs Newell, who says she is on the middle-left of the Labour party, said yesterday she failed to be selected as a Labour candidate because she had not joined the backing of Mr John O'Grady, the right-wing Labour leader of Southwark council.

She said she telephoned Mr Mellish asking for his advice about standing. "He told me immediately that as an independent Labour and I will support you. You go out under the real Labour flag, my girl."

She added: "He knew the position he was taking. He's putting his neck on the line."

Blunder to leave EEC, Ezra says
□ Sir Derek Ezra, chairman of the National Coal Board, said yesterday that it would be a "colossal blunder" if the United Kingdom withdrew from the European Community, and a great deal of work had to be done to persuade the Labour Party and the trade union movement to reverse its policy.

Sir Derek was addressing the Association of European Journalists in London.

Scots want wider use of Gaelic, survey says

By Jonathan Willis

If the Scots had their way the Gaelic language would be widely used in schools, public life and broadcasting. That is the main conclusion of a study carried out for An Comunn Gàidhealach, the Gaelic society by Mr Kenneth MacKinnon and published in *The Scotsman* yesterday by Hatfield Polytechnic, in Hertfordshire.

In a questionnaire completed by 1,117 people, Mr MacKinnon found that even in lowland areas more than half of his sample favoured official recognition for the language. The proportion rose to 82 per cent in the Western Isles, and the national figure for Scotland was 54 per cent.

Overwhelming support for Gaelic as part of the school curriculum came from the Gaelic-speaking areas, and nationally 70 per cent of respondents were in favour.

There appears to be less unanimity over Gaelic radio and television programmes.

Support for more air-time was high in the Western Isles, where the BBC's Gaelic language radio programmes have a big following, but fewer than half of the lowlanders thought Gaelic broadcasting should be increased.

Significantly perhaps, the former Scandinavian islands of Orkney and Shetland are not mentioned in the survey. In the far north there has been some resentment at having Gaelic programmes beamed at an area that mostly speaks lowland dialects.

Gaelic enthusiasts who have recently been defacing English language road signs in Scotland will draw some encouragement from the survey. Only a fifth of the Scots are against bilingual road signs, although there is no evidence of support for the actions of the spray-can vandals.

The killing of Terence May
By David Nicholson-Lord

the unusual device of a voluntary bill of indictment to bring the case to court.

Complaints about the conduct of Mr Rudi Narayan, the leading black defence counsel, and two colleagues were referred by the Attorney General to the Bar Council and are now being considered by its professional conduct committee.

Mr Narayan has responded with a statement attacking the Attorney General and the Director of Public Prosecutions for the "massive damage" they have caused to race relations and calling for their resignations.

Three important prosecution witnesses were declared hostile by the Crown after telling the court they told "lies and rubbish" to get out of the police station or that police had threatened to charge them if they did not cooperate.

The worsening atmosphere at the time of Mr May's death in an area noted neither for black militancy nor poor race relations has been attributed to several factors: the movement of the National Front's



Anatoly Karpov, the world champion, pressing his attack against Nigel Short in London yesterday.

Karpov in London contest

London's strongest ever chess gathering, the tournament, sponsored by Phillips and Drew and the Greater London Council, opened in great expectation at County Hall yesterday (Harry Golombek writes).

Karpov, of the Soviet Union, pressed a Queen's side attack against Nigel Short, England's young hope. On other boards Mestel and Miles drew after 22 moves in the only game to

finish on the day. In the Geller (USSR) v Andersson (Sweden) contest each player was battling against isolated central pawns.

Timman (Holland) had a blocked position against Speelman, while in the Nunn (England) v Spassky, (USSR) game the Russian had some initiative on the king side.

Seirawan (US) and Portisch (Hungary) were also locked in against central pawns.

After a day of intense consultations between senior Church of England and Roman Catholic officials responsible for the visit to Canterbury, a statement was eventually issued declaring that Lambeth Palace, Dr Runcie's official office, was not aware of any changes of substance.

Unofficially, it was explained that both Dr Runcie and Cardinal Hume regard the time with church leaders as crucial, and any question of cutting down would mean with their combined resistance. The Vatican, it is understood, is now aware of that.

□ A mail order firm has published a glossy catalogue of souvenirs of the Pope's visit. (The Press Association reports). The products range from a 50p bookmark to a stained-glass icon, and a platinum plaque costing more than £300.

They include towels, clocks, portraits, pens, spoons, rosaries and candleholders. C.C. Marketing, of Sutton, Surrey, has produced the catalogue.

Mr Ralph Brown, central coordinating of the visit, said: "I hope the sales of these items will help considerably towards the expenses of the visit and that many people will be able to acquire a fitting souvenir."

He concedes that the events of last June have been associated with a more radical attitude among young blacks, but says the racial tension has now eased.

Mr Roy Amlot, the prosecuting counsel, said in a somewhat despairing concluding speech that the case was not about politics or race relations and was "not a Scarsman inquiry". But it was in part about all those things, because that was how many people chose to see it.

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Canterbury talks trimmed, not halved

By Clifford Longley, Religious Affairs Correspondent

The time Pope John Paul II spends in private discussion with other church leaders at Canterbury next month is not being significantly reduced, it was stated in official Roman Catholic circles yesterday.

Press reports had said that the period set aside for this most sensitive part of the Pope's visit had been halved.

The meeting between the Pope and other church leaders has been a delicate issue for several months, with suggestions that some churchmen might not attend if they did not like the way the occasion was being organized.

Those fears had apparently been put to rest by Cardinal Hume's announcement that a substantial period had been allowed both for formal and informal exchanges, but the issue was revived when a police officer disclosed that Archbishop Paul Marinkus, the Pope's security adviser, had said that the meeting would have to be curtailed.

It was said yesterday that there was a misunderstanding.

The Pope's itinerary has had to be adjusted to allow him a 90-minute rest between Canterbury and his next engagement. It is pointed out that on that day, May 29, the Pope will leave the airport in the morning and will not return until after 10 pm.

It is known that his physical condition after the attempted assassination last year is not as good as it was, and it is suggested that that is also why the Canterbury event has had to be slightly altered.

The Archbishop of Canterbury, Dr Robert Runcie, said yesterday at Gatwick airport, where he was on his way to Nigeria, that the suggestion of a change in the arrangements was a great surprise to him.

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Leading article, page 7

Science report Exergy: 24 hours that made a universe

By the Staff of "Nature"

The world is concerned about a shortage of energy, but really it should be exergy, not energy, that concerns us. Exergy is energy which can be "expressed", which is available to do work. We need exergy to live. Plants need it to grow. Our exergy comes ultimately from the Sun, and it is solar energy that is trapped in oil. But where did the Sun get it from?

The problem is that the very early universe had no exergy at all. The universe was then uniformly hot, with no differences from one part to another. With no thermal differences, no work could be done by one part of the universe on another because heat engines cannot function without a difference in temperature somewhere in the system.

A group of Swedish researchers now point out that the way the universe gained exergy, through which life became possible, required a very delicate balance in the laws of nature.

Exergy was created, essentially because the universe was expanding, too fast for thermal processes to keep up with it. Dr R. Eriksson, S. Islam and B. S. Skagerstam of the University of Göteborg show in a paper in the journal *Nature*.

The creation of nuclear energy began 10 seconds after the beginning of the "big bang", and it was essentially complete within 24 hours. The stars, with the Sun among them, are still creating and radiating this first day's exergy.

The creation of exergy consisted of the trapping of energy in the form of protons, the nuclei of hydrogen atoms. Protons can react, releasing their free energy, by forming first deuterium nuclei and then helium nuclei. This is what happens in stars.

If the universe had been expanding slowly, it would have happened then too, distributing the free energy as heat throughout the universe.

In fact what happened was that the universe expanded extremely rapidly. The protons had little time to interact, and most were left unbound. Still there would be no exergy — the energy would be uniformly distributed — if gravity had not played its part. In time, this clumped the protons into stars. Here the simple weight of matter pushed the protons together, allowing the helium-forming reaction to progress and thus illuminating the universe with pinpoints of exergy — which could drive events such as life in the sun, the stars and the planets.

The important question for living beings, therefore, is why the expansion was so fast — or why the proton reaction rates were so slow. Here, two apparent accidents contributed: First, the deuterium nucleus, the half-way house to helium, is delicate so that it could not form while the universe was too hot and dense. By the time it could form, the protons were already some way apart. Second, the formation of both deuterium and helium is controlled by the conversion of protons into neutrons, a process which contains one, helium two, and that process is caused by something known as the weak interaction — a fundamental force which, as its name suggests, is weak.

As to why the weak interaction is so weak, there is no good answer at present. So the conclusion may be that we are lucky: if the universe had been but slightly different, we would not have had the exergy to tell the tale.

Dr R. Eriksson, S. Islam and B. S. Skagerstam, *Nature* (vol. 295, May 1982).

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Mr Ralph Brown, central coordinating of the visit, said: "I hope the sales of these items will help considerably towards the expenses of the visit and that many people will be able to acquire a fitting souvenir."

He concedes that the events of last June have been associated with a more radical attitude among young blacks, but says the racial tension has now eased.

Mr Roy Amlot, the prosecuting counsel, said in a somewhat despairing concluding speech that the case was not about politics or race relations and was "not a Scarsman inquiry". But it was in part about all those things, because that was how many people chose to see it.

Leading article, page 7

Bicycle boy guilty of killing girl

By Hugh Clayton, Environment Correspondent

Mark Thomas, aged 17, a schoolboy, was convicted yesterday of the manslaughter of Michelle Shields, aged six, Thomas of Bacton, Lismore Circus, Kentish Town, north London, was cleared by a jury of her murder. Sentence was postponed for a fortnight.

The court was told that Thomas, a neighbour of the girl, treated his second-hand racing bicycle. He struck the girl in the neck with a screwdriver, killing her, when she playfully interfered with the cycle.

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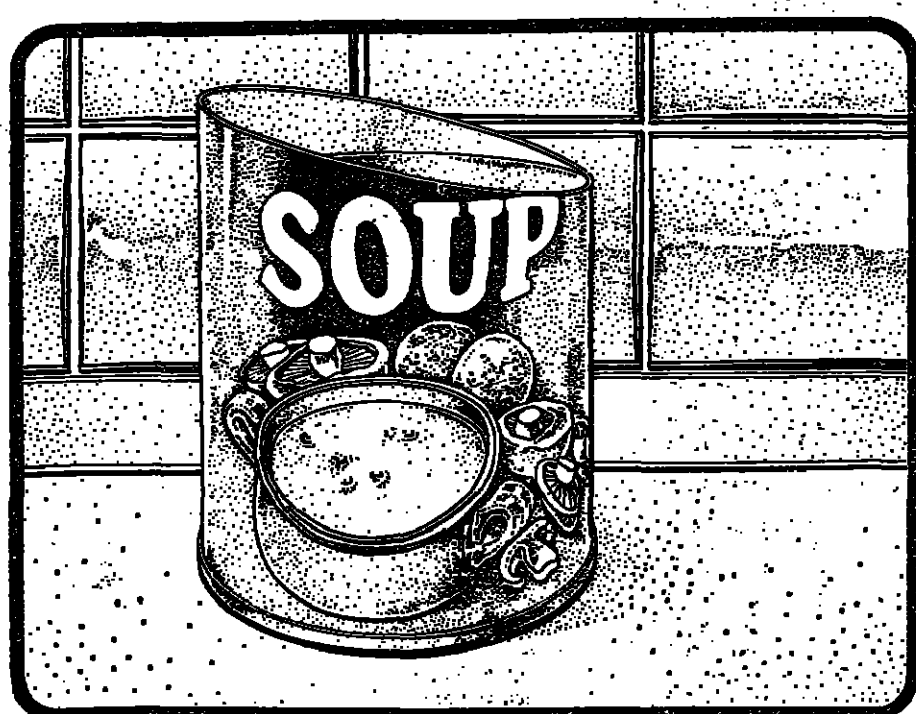
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The age of cheap energy is over — probably forever! But as the above example shows, gas is still remarkably good value for money.

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Simple energy conservation measures in the home can help to make gas even better value. Why not pick up a copy of our free leaflet 'Save Gas, Save Money' at your local gas showroom?

MAKE THE MOST OF GOOD VALUE GAS.

Food price from Airwood Statistics Ltd, 13-week period ending 17 October 1981.
Gas prices from British Gas 'Guide to fuel running costs', October 1981, adjusted to allow for April 1982 price increase, and including standing charges.

BRITISH GAS

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FALKLANDS CRISIS

Honest broker Haig heads for grilling

From Nicholas Ashford, Washington, April 15

Mr Alexander Haig, the American Secretary of State, left Washington today for Buenos Aires in a further attempt to defuse what he has described as an "exceptionally difficult and exceptionally dangerous" situation.

Mr Haig was taking with him some "new ideas" for resolving the Falkland Islands crisis which he had developed as a result of his talks in London on Tuesday and during a telephone call with Buenos Aires yesterday.

Officials have remained silent about the content of the revised settlement plan because of the extremely delicate stage the negotiations have reached. However, it is believed Mr Haig's ideas involve a revised formula for sharing sovereignty or administration over the islands.

It is possible that Mr Haig may fly on to London if his talks in Buenos Aires make progress.

It was expected that Mr Haig would be questioned by the Argentine press about Washington reports of American military cooperation with Britain, although officials insisted that these reports had not damaged Mr Haig's role as an "honest broker".

Mr Haig broached this issue in a statement last night when he said that the United States was maintaining its military links with Britain but had rejected requests that "would go beyond the scope of customary patterns of cooperation based on existing bilateral agreements."

The sharing of intelligence information between Britain and the United States and the use by Britain of American facilities on Ascension Island are covered by agreements in force.

Mr Haig's statement was designed not only to reassure the Argentines that he was still trying to adopt a middle position but also to deflect growing criticism in the United States over the Ad-

ministration's failure to take a more pro-British stance. The opinion of newspaper leading articles and columnists continues to be solidly on Britain's side and opposed to Argentina's use of force to take over the islands. Mr Anthony Lewis, a liberal commentator, writing in *The New York Times* today takes Mrs Jean Kirkpatrick, the American representative at the United Nations, to task for attending a dinner party in her honour at the Argentine Embassy the night after the Argentine attack and for her subsequent denial that the Argentine action constituted armed aggression.

In *The Washington Post* Mr George Will, a right-wing columnist, was also critical of the Administration's even-handed approach. "By not siding more forthrightly with Britain," he wrote today, "the United States may be jeopardizing the objective it thinks it is serving: Latin American stability. By seeming to share the survival of existing regimes, the United States extends to those regimes a licence for adventurism and settling old scores."

The mood on Capitol Hill is also becoming more critical of the American Approach. Senator Daniel Moynihan has already called on the United States to stand by its NATO ally and five liberal members of the House of Representatives have introduced a bill to force the President to take a more pro-British line.

A leading article in *The New York Times* today criticizes the shuttle diplomacy which Mr Haig has been carrying out during the past week. Under the headline: "Stay home, Al Haig," the newspaper says he ought to send emissaries to London and Buenos Aires to concentrate on more weighty matters such as nuclear arms control, the Middle East and Central America.

IN SUMMARY
Reagan 'a hypocrit'

The Soviet news agency Tass accused Washington of collusion with Britain over the Falklands and said it had no right to play a mediating role between London and Buenos Aires (Reuters reports from Moscow).

Information leaked to the United States media, Tass said, showed that Washington was giving Britain intelligence details about Argentina's forces and providing communications facilities to link London with the British fleet in the Atlantic.

It accused President Reagan of hypocrisy for refusing to confirm the aid to London at a press conference and said Washington's aim was to help Britain return to the islands and at the same time establish a United States presence there as well.

□ Britain's displeasure at Russian tactics over the Falklands was made clear to Mr Viktor Novikov, the Soviet Ambassador, when he called at the Foreign Office yesterday (Denis Taylor writes).

It was pointed out that the Soviet Union had not vetoed the Security Council resolution demanding withdrawal of Argentine troops and was therefore bound by it.

□ The Foreign Office denied as "quite untrue" a report in the *Daily Mail* that Mr Harold Wilson was heading a special Cabinet committee set up to examine sporting links with Argentina. But the denial implied that sporting links were being examined.

□ Stockholm: Mr Olof Palme, the Swedish Social Democrat leader, who is head of the United Nations disarmament commission, said the Falklands was "meaningless" (our Correspondent writes). "The conflict can be solved by granting the Argentinians sovereignty over the islands but by allowing them to be leased by a public meeting. That this conflict has now been continued to the very brink of war is an example of the lack of wisdom with which the world is being run."

Task force will not lack cash

By Hugh Noyes
Parliamentary Correspondent

There is to be no cash ceiling on the cost of the Falklands operation, Mr Leon Brittan, Chief Secretary to the Treasury, said yesterday.

Speaking at Trinity College, Oxford, Mr Brittan said that the task force would come first and he gave an assurance that the costs would be met in ways that were consistent with the Government's economic strategy.

Mr Brittan pointed out, however, that the cost of the operation would be in addition to normal expenditure. Extra costs would arise only where the cost of the operation proved greater than that of the tasks to which the force would otherwise have been assigned.

At this stage the extra cost represented a very small proportion of the defence budget of more than £14,000m.

Mr Brittan said it was nonsense to suggest that Britain's ability to respond to the crisis had been weakened by the so-called cuts in defence spending. Indeed, added the Chief Secretary, far from cutting defence spending, the Government had increased it in real terms by about 11 per cent.

This year £500m extra was being spent in real terms on conventional land forces than in the year before the Conservatives took office. Even when expenditure on modernizing the strategic deterrent was at its peak, more could be spent on the Falklands than in 1978-79.

If the whippers are to be believed, Mr Alexander Haig, the United States Secretary of State, finds it difficult to deal with the Argentine President, a man of black and white views and unpredictable decisiveness. The problem is partly President Galtieri's apparent inability to surrender to the demands of diplomacy and political bargaining, and partly the undermining of his authority by intense jealousies and infighting among the generals and admirals who run the country.

The belief among people close to the Argentine political scene is that Senor Nicanor Costa Méndez, the civilian Foreign Minister, who has a distinguished diplomatic background from earlier elected governments, was excluded from close involvement in the Falklands invasion plans. Judging from the exceptionally moderate



Occupation: Heavily armed Argentine troops crowd civilians off the Port Stanley streets.

Memories of war dictate reaction

By Peter Stafford

The pattern of support for Argentina in the Falklands dispute reflects rivalries and alignments in South America. Most, if not all, Latin American countries back Argentina's claim to sovereignty over the islands, but their reactions to the invasion have varied widely.

Two of the countries which have been most clear in their support for Argentina, Peru and Bolivia, have sound historical reasons for their attitude. Both of them were defeated by Chile in the War of the Pacific just over 100 years ago, and since Chile is often at odds with Argentina, they have tended to side with Buenos Aires.

Memories of the war still rankle, particularly in Bolivia, which lost a strip of territory giving it access to the cultivated friendship with La Paz, which means that Chile has to take account of a second front in the north in any conflict with Argentina.

In recent years there have been close relations between the armed forces of Argentina and Peru, which have continued despite the election of a civilian Government in Lima. In Bolivia, Argentines were widely thought to be behind the coup that prevented a return of democracy in 1980.

There were strong denials yesterday from Lima, however, of reports that Peruvian aircraft had been flown to Comodoro Rivadavia, a port in southern Argentina, as a gesture of active support. The reports, which appeared in Buenos Aires, spoke of six Mirage fighters.

Peruvian diplomats said that Peru wanted a peaceful settlement to the dispute. They pointed out that Peru had proposed a 72-hour truce in order to bring about a settlement, and the sending of an international peace force.

For Chile, the Falklands dispute has a very different complexion, because of its quarrel with Argentina over three islands in the Beagle Channel. Seen from Santiago, the seizure of the Falklands looks very like the Argentina threat to go to war over the Beagle Channel in 1978, which was only averted

by the intervention of the Pope. Chilean newspapers have pointed out that Argentina had refused to accept the findings of international mediation in the Beagle dispute. They have also been critical of the Argentines for introducing foreign influences into the region through their links with the Soviet Union.

The largest and most influential country in the region is Brazil, which has long been a rival of Argentina and has traditionally taken Chile's side. Like other Latin American countries, Brazil has supported Argentina's claim to sovereignty over the Falklands, but it has avoided either supporting or criticizing the invasion. President Figueiredo has made great efforts in recent years to overcome differences with Argentina, where he lived for a time in his youth. He has appealed to both Britain and Argentina to avoid conflict, and offered Brazilian help in bringing about a settlement.

Backing for Thatcher drops a bit

By Sara Bonner

Support for Mrs Thatcher's handling of the Falkland Islands crisis is still strong but waning slightly, according to the latest opinion poll on the British public's reaction to the affair.

A poll published today by Market and Opinion Research International for *The Economist* shows that 60 per cent of the public are satisfied with the way the Government is handling the situation in the Falklands. This compares with 30 per cent who say they are dissatisfied.

However, a poll conducted at the beginning of last week, only four days after the Argentine invasion took place, revealed that 70 per cent agreed that the Royal Navy should be ordered to sink Argentine ships if necessary to regain the Falkland Islands.

A further poll, conducted by Opinion Research Centre for London Weekend Television's *Weekend World* last weekend, showed general support for the Government's approach but also a recognition of the loss of life it might entail. When asked if they supported diplomatic means, backed by force, 61 per cent said they strongly supported it, and 18 per cent said their support was "quite strong".

However, in today's poll, which was conducted on Wednesday, more than 80 per cent of the public said they supported such actions taken to date as sending the naval task force to the Falklands, imposing the 200 mile naval blockade, banning Argentine imports and freezing Argentine assets in British banks.

About 67 per cent felt that British troops should be allowed to land in the Falkland Islands while 52 per cent believed that British ships should sink Argentine ships found in Falkland waters.

The so-called "Hong Kong solution", that the Falkland Islands should become Argentine territory but be leased back to Britain for administration, found relatively little support. Only 24 per cent were in favour, while 3 per cent opposed this option.

Mr William Harding, the British Ambassador, dismissed the possibility of Senhor Baza Soares, the permanent head of the Brazilian Foreign Ministry, but said he had not presented any official request. He added that he had merely been sounding out the Brazilians on the matter.

On Tuesday, Mr Harding handed Senhor Ramiro Sarate, the Brazilian Foreign Minister, a message from Mrs Margaret Thatcher, asking Brazil to use its influence to persuade Argentina to evacuate the Falkland Islands. He also saw the head of Brazil's intelligence service, General Medeiros.

Mr Harding denied reports that Britain envisaged suspending its technical assistance to the Brazilian Navy if Brazil supported Argentina in the Falklands crisis.

OVERSEAS

Killers of Sadat executed at dawn

From Our Correspondent
Cairo, April 15

Five self-proclaimed Muslim fundamentalists convicted of assassinating President Sadat of Egypt were executed at dawn today after their plea for mercy had been rejected by President Mubarak.

The two assassins "who had been in" the Army were executed by firing squad and the others, civilians, were hanged at a remote military base outside Cairo, military and legal sources said. This brought to 13 the number of Muslim fundamentalists executed for violent crime in the past eight years.

News of the executions was carried briefly on Cairo radio, then dropped from subsequent broadcasts. The evening newspaper did the same, an indication that the authorities were sensitive to possible public reaction.

Muslim fundamentalism being widespread in all the Egyptian universities. Military sources said Lieutenant Khalid Sawhki el-Islemahy, who admitted leading the attack on Sadat in October last year and Hussein Abbas Muhammad, a reservist, were shot at 0530 local time. "Sparingly" was calm and controlled, asked to pray and was allowed to do so. "I wanted to get it over and done with," he said.

The civilians were reported to have been calm — one asked to pray another asked that his debts be paid, and the third requested to write to his family.

Military officials said the families of all five were informed of the rejection of the mercy appeals and were allowed to spend Wednesday with the men. The families were not informed of the time of the executions.

Officials said Mr Mubarak also turned down appeals from 17 other defendants found guilty in the assassination. They have been sentenced to prison terms ranging from five years to life.

Violent crimes committed by self-proclaimed Muslims have increased since 1974, when a group led an attack on a military academy. Three people were hanged for that offence. In 1977 a group kidnapped and shot dead a former cabinet minister in charge of religious affairs.

Sociologists who have followed the increase of Muslim fundamentalism say the Islamic revival aims at replacing the secular regime with a religious one because they oppose what they perceive to be Western permissiveness permeating the traditional society.

They have rapidly made converts, mainly because of the growing disparity between rich and poor. Now the veil and long flowing robes are more popular among women on the streets of Cairo, and the number of bearded men, a sign of Muslim puritanical tendencies — has also increased.

Stoessel is optimistic over Sinai

From Christopher Walker
Jerusalem, April 15

There are growing indications that Israel is planning to press ahead with its final evacuation of Sinai on April 25 as scheduled, despite last minute difficulties and pressure from political opponents.

The clearest pointer came today from Mr Walter Stoessel, the United States Deputy Secretary of State, who said after the first meeting of his new diplomatic mission to secure a smooth handover that he was "optimistic for a good outcome".

Meanwhile, Mr Ariel Sharon, the Israeli Defence Minister, was holding talks in Cairo with President Mubarak and Mr Hassan Ali, the Egyptian Foreign Minister. Later, senior Egyptian sources also expressed optimism that the withdrawal would take place as initially agreed at Camp David.

Mr Stoessel was speaking to reporters after more than two hours of talks with Mr Begin, and Mr Yitzhak Shamir, the Israeli Foreign Minister.

Over the past 24 hours, officials close to Mr Begin have been at pains to play down suggestions that he might be planning to delay the handover of the remaining third of occupied Sinai.

Leading article, page 7

Indian opposition in disarray Charan Singh cuts 'retirement' short

From Trevor Fishlock, Delhi, April 15

The bulk of the fragmented and quarrelling opposition parties in India find themselves today, a gift to Mrs Indira Gandhi, in view of the important elections in four states next month.

At a time when the Opposition has been talking of forming a united front to challenge the Government, it is more splintered and confused than ever, in the wake of the much-publicized "retirement" of Mr Charan Singh, who was caretaker Premier for a month at the end of the period of Janata Party rule in 1977-79.

Mr Singh, who is 79 heads the Lok Dal or Masses Party, which draws much of its support from farmers. No one took him seriously when he retired recently, and talked of going to the banks of the Ganges to meditate, pausing only to sack three of the party's leading figures.

As expected, he returned to politics today, at the urging of his supporters. He has provoked the fourth party split in two years, and the press is calling his actions a charade.

Mrs Gandhi has always felt nervous about the opposition. She says the only thing its leaders agree on is their dislike of her. But unity is a long way off, and opposition is at a low ebb.

The most recent attempt at a merger between Lok Dal, Janata and one of the Congress splinters, Congress-5, failed because each of the three leaders wanted to head the alliance and would not give way.

Most of the non-communist opposition parties have no economic or social programme, no philosophy, and are led by old men with small followings who are not much more than names in newspapers. Mr Nihal Singh, editor of the *Indian Express*, wrote today that the parties are "unprincipled conglomerations of self-seeking men and women".

The only non-communist parties with any following are Lok Dal and the BJP, a middle class, right-of-centre, Hindu nationalist party, formed two years ago out of the Jana Sangh, a component of the Janata rule which split, and paved the way to Mrs Gandhi's triumphant return in 1980.

Although the opposition groups will be seeking alliances for electoral gain in the coming elections, there is no doubt that they have been damaged. For Mrs Gandhi's advantage, Mr Indira Congress Party is now strengthened for the fight in Haryana and Himachal Pradesh.

The communists, essentially regional parties, are expected to retain their hold on West Bengal, but the outcome of the election in Kerala, where Communists ruled until recently, is not so certain.

The Charan Singh episode demonstrates the importance of personalities and the weakness of parties in Indian politics. That is why the Maneka Gandhi affair, a family quarrel, assumes some importance. At first sight it looked like the *manu-mani* (mother-in-law and daughter-in-law) conflict familiar to Indian filmgoers, in a society where most wives go to live with their in-laws in the extended family.

Mrs Gandhi ordered Maneka, who is 20, out of the prime ministerial home after she had addressed a meeting of supporters of her late husband, Mr Sanjay Gandhi, people who now feel neglected. Having enjoyed the limelight and political excitement at her husband's side, Maneka also felt neglected sitting and brooding in her mother-in-law's home.

Maneka's speech compounded the crime that she and her mother had already committed, in selling the monthly magazine they owned to supporters of the BJP party.

The dust is settling after the unseemly squabble and expulsion, but Maneka is now seen as something of a wild card. She cannot damage Mrs Gandhi, who is well entrenched, and she has no political standing or philosophy, and hardly any experience.

What she has is a famous name, and the ability to evoke her husband's memory. She could conceivably be a focus for discontent, and a future danger to the political career of her brother-in-law, Rajiv, who is now his mother's ombudsman and assistant. It is widely assumed that he is being prepared for greater responsibilities.

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By Ric
The West
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Charan Singh: Comeback

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THE STYLE IS VINTAGE BUT NOT THE PRICE

Also Old
Coronation
Ruby and
finest Old
Tannies

NOVA
FREE
PORT

Warsaw faculty protests over ousting of rector

From Roger Boyes, Warsaw, April 15

University lecturers in Warsaw are refusing to cooperate with the authorities in their search for three deputy heads of the university, the largest and most influential in Poland. As a result, the administration of the university has nearly ground to a standstill at a time when several thousand students are resuming their studies after the Easter break.

The protest, a senior, experienced, was aimed against the ousting of Professor Henryk Samsonowicz as Rector of the university. Dr Samsonowicz, a liberal reformer popular with the students, was recently dismissed from his post — or had his resignation "accepted", in the official formulation. He was replaced by a little-known academic, Professor Kazimierz Albin Dobrowolski, who is more sympathetic to the martial law authorities. Academics and reform-oriented intellectuals have viewed this as a toughening of policy in the Polish leadership and a move that might suggest a purge of university staff.

But the main fear seems to be about the effect on the students. Today, hundreds of students interrupted their studies for a quarter of an hour to sign a petition protesting against the dismissal of Dr Samsonowicz, a medieval historian. Fourteen deans — heads of department — have also signed the petition and scores of lecturers have been signing a similar document more sympathetic to the Minister of Higher Education.

Dr Samsonowicz has not been answering his telephone, and it is assumed that he has gone on holiday. He's dismissal has made lecturing staff nervous about academic freedom. Dr Samsonowicz was democratically elected by staff and students, in line with a liberal Bill on higher education. The martial law authorities have promised to pass the Bill, but the dismissal — as today's petition

Queen cuts Canada's last colonial shackle

From Michael Hamlyn, Ottawa, April 15

The Queen arrives in Ottawa today to proclaim, as Queen of Canada the new Constitution, and to witness the striking off of the final colonial shackle linking the country to Britain.

Ottawa is decked with flags, the Union Jack, the Maple Leaf and the flag of the 10 provinces, and the weather has seemed to celebrate too, with the first warm days of the year finally melting ancient heaps of snow.

Not everyone is happy about the patriation of the constitution of course. The Government of the province of Quebec, whose veto was overridden when the courts ruled that the consent of the provinces was not legally necessary, is here. It has ordered Lieutenant Governor Jean-Pierre Côté not to attend either.

A protest march around Montreal is planned on Saturday to coincide with the proclamation on Parliament Hill. The Indians of British Columbia and Manitoba are not too pleased either, claiming that the new Constitution does not do enough for native rights, and does not protect the old Indian treaties.

Indian leaders have been warned that they will be regarded as traitors to the native cause if they participate in the celebrations.

Nine of the 10 provinces finally signed an accord of the charter for rights to be included in the Constitution. Only Quebec held out.

Quebec's legal challenge goes on, and the Constitution faces a severe test when, as is bound to happen shortly, Quebec's education laws are examined against the charter. The charter protects minority rights but Quebec insists, for example, that all children are taught in French schools unless one parent was taught in a Quebec English school.

Photograph, page 8



Bonn pledges arms support to US

From Patricia Clough, April 15

West Germany today formally committed itself to provide strong logistical support to enable the United States roughly to double its military strength here at short notice in times of crisis.

The huge and expensive "wartime host nation support agreement" signed in Bonn today, is designed to step up NATO's powers of deterrence in conventional armaments, a field in which the Soviet Union has the lead.

The agreement signed by Herr Hans Dietrich Genscher, the Foreign Minister, and Mr Arthur Burns, the American Ambassador, is seen by the West Germans as an important demonstration of the country's commitment to the alliance which has recently been much questioned in the United States.

It is also seen as countering accusations in the United States that the European allies, in particular West Germany, are not prepared to pull their weight in the defence of Europe. The cost, to be divided equally, will mean a burden to Bonn of DM550m (£12.3m) at a time when the Government is being forced to make sizeable budget cuts.

Genscher seized the occasion to declare that the agreement "documents our particular attachment to our American partners". It is also the expression of our continuing willingness to take part in a balanced burden and work sharing in the alliance.

West Germany promises to provide logistical support to enable the United States to ship out six armoured, mechanized and infantry divisions within 10 days to reinforce the four already stationed here.

It will train and equip 93,000 reserves to provide transport, supplies and protection to the troops while here and to man airfields.

The West Germans are also expected to provide and guard huge arms depots, stores and other installations so that all the necessary equipment is waiting for the troops when they arrive. They will set up special "equipment units" composed of 1,200 military men and 600 civilians to look after it.

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Cameroon leader's visit

From Godfrey Morrison, Abidjan

Close tie sought with francophone Africa

President Ahmadou Ahidjo of Cameroon is expected to pay a four-day official visit to Britain, beginning next Tuesday. The invitation is the latest of several indications that both Whitehall and British business are anxious to step up links with French-speaking West Africa.

Until recently British exporters and investors tended to write off the whole of French-speaking sub-Saharan Africa as a single, unmanageable French domain, and second because its markets were individually small.

It is true that the area includes such nations as Chad, Upper Volta, Mali and the Central African Republic, which are among the poorest in the world.

But it also contains Gabon, whose oil revenues have given it the highest per capita gross national product in Africa, as well as the Ivory Coast and Cameroon, which have only recently become oil producers, but which oil industry sources say will become major producers in the years to come.

Both President Felix Houphouët-Boigny of the Ivory Coast and President Ahidjo have ruled their countries virtually unchanged since independence in 1960, and all three countries record of political stability and the state of their public finances contrast sharply with those of some of Britain's traditional markets in West Africa, such as Ghana and Sierra Leone.

"The trouble with the British business community is that it has become so obsessed with Nigeria that it has forgotten about the other countries," was how one British diplomat working in a French-speaking country put it.

Interest in the Nigerian market stems not only from traditional commercial ties and the country's huge oil wealth, but from the fact that its 90 million people represent a single market which is bigger than that of all the 15 former French colonies in black Africa, whose total population is about 70 million.

The statistics speak for themselves. In 1980 British exports to its principal French-speaking West African markets (Togo, Ivory Coast, Guinea, Cameroon, Senegal, Gabon, Niger and Congo) amounted in all to £137m. By contrast exports to Nigeria reached £1,204m.

But there is a growing feeling, not only among British officials whose job it is to promote British commercial interests in this alien territory, but in the business community, that the British share of the area's imports — which in most of these countries amounts to between 2 and 3 per cent of total imports — is unnecessarily low.

It certainly contrasts dismally with the 9 per cent share of the Nigerian market which French salesmen have obtained.

In the past British businessmen have been put off by the apparent strangeness of the local economies exercised by French commercial and political influence.

In many of these countries the French embassy carries great weight with the local authorities (people in Libreville, Gabon, still refer ironically to the French ambassador as "the governor-general"), but often French influence is much more deeply imbedded because of the large numbers of French officials in the local bureaucracy, the so-called *assistants techniques*.

European and American officials are as much irked by this as the British, and one European diplomat in Libreville remarked gloomily: "If you go into any of the ministries you will find an *assistant technique* behind every pot plant".

But all is not gloom. Fleets have won important airport equipment contracts in Gabon and Cameroon and is a front-runner to build the delayed new international airport in Abidjan. Taylor Woodrow and George Wimpey have joined the international consortium which may well win the contract for the next stage of the massive trans-Gabon railway project.

Two of the very few British companies with the highly visible stake in this area are Guinness, with breweries in Ivory Coast and Senegal, and Barclays International.

Japan gives rice

Tokyo. — Japan has agreed to provide rice worth about 447m yen (just over £1m) to drought-stricken Central African Republic. The Japanese Foreign Ministry has announced.

FIVE THAI DETAINEES GO MISSING

From Neil Kelly, Bangkok, April 15

At least five political prisoners in Thai jails have disappeared in the past year, according to a report to the United Nations by the Lawyers Association of Thailand.

The parents of Mr Sinpraset Fokaew, the former deputy Secretary-General of the National Students Centre of Thailand, say their son was arrested in July and has not been seen since.

Police say two of the five escaped from detention soon after their arrest. The lawyers' report claims that 12 other prisoners including one woman are being held without trial on charges related to national security and communist activities.

The only legal basis for imprisonment without trial is the Anti-Communist Act which permits persons accused of communist activities (outlawed in Thailand) to be detained up to 210 days with the approval of the national police chief and up to 480 days with the permission of a military or civil court.

Two hundred Thais jailed as threats to national security by the two previous governments may be released soon under an expected royal amnesty.

NEWS IN SUMMARY

80 face 'class' war charges

Istanbul. — The trial of 80 leading members of the now defunct Turkish Labour Party started here with the military prosecutor demanding prison terms ranging between 15 and 36 years. The defendants are accused of "striving to establish the dictatorship of the proletariat" as well as carrying out communist and separatist propaganda.

The leader of the party, Mrs Behice Boran, aged 72, and Mr Nihat Sargın, the party Secretary-General, both left the country after the Army coup of September, 1980 and were stripped of Turkish citizenship when they failed to comply with instructions to return. Mrs Boran was later sentenced in the absence to eight years and nine months in prison on similar charges.

Meanwhile, another 730 alleged members of the underground Dev-Yol (Revolutionary Path) organization went on trial in the northern Turkish town of Amasya. The prosecution has demanded death sentences for 57 of the defendants indicted earlier on charges of terrorist activities including murder.

Young Franco leaves Army

Madrid. — General Franco's grandson, Lieutenant José Cristóbal Franco Bordiú, is leaving the Army, according to reports published here (Harry Debelius writes).

He told the national popular weekly magazine *Interviu*: "I'm leaving the Army as a matter of trial. I prefer to be honest with myself, rather than hang on, just because I am who I am, acting out a role in a movie that I've lost interest in. I was getting bitter."

Kim at 70 still holds the reins

Pyongyang. — President Kim Il Sung (above), who has led North Korea since it was established in 1948, celebrated his seventieth birthday with a speech in which he gave no hint that he wished to step down.

The Government said that many foreign delegations had arrived in the city to pay tribute to the president, including President Kenneth Kaunda of Zambia, President Samora Machel of Mozambique and President Canaan Banana of Zimbabwe.

Brezhnev riddle. — The Mystery over the health of President Brezhnev deepened yesterday when Professor Yevgeny Chazov, his chief physician, failed to turn up at a scheduled press conference. Western correspondents were told two days ago that Professor Chazov would answer questions but was unable to attend the conference because of a broken leg sustained three weeks ago.

Mr Brezhnev, aged 75, who speedily underwent hospital treatment in the past three weeks, was said to be on holiday.

Coverage of the Gulf War

Iran attacks Western media 'lies'

By Richard Owen

The Western press has been accused by a leading Iranian official of "consistently lying" both about the situation in Iran and about its conduct of the war with Iraq.

Hojatolislam Abdel Majid Moaddikah, the Minister of Islamic Guidance (Information) told a press conference in London yesterday that the "Zionist-imperialist" news media were guilty of "the most significant oppression and cruelty ever committed against mankind".

Hojatolislam Moaddikah (*hojatolislam* is a rank just below that of *ayatollah*) is a rising star in the Iranian hierarchy, and speaks with a calm, almost elegant precision which contrasts oddly with the hyperbole of the Islamic regime's rhetoric. Quoting at length from the Prophet Muhammad, Hojatolislam Moaddikah said that the conduct of the Western media proved the Prophet's dictum that "it is on the lie that big criminals mainly depend".

Asked how Western correspondents could be expected to tell the truth if they were not allowed into Iran, the minister replied that reporters had "repeatedly told lies" even when they were invited into the country. This was not only a matter of authenticity, but also of "reveling" and selection of news "in the interests of Zionism and imperialism", as coverage of the Gulf War has shown.

Ased about reports of a Soviet incursion into northern Iran earlier this month, the minister acknowledged that Soviet and Afghan troops had crossed the border, but said it had been an "error" for which the Soviet Union had "immediately apologized".

He did not refer to reports from Islamabad at the time of the incident that Afghan mujahideen ("holy" warriors)



Hojatolislam Moaddikah: Rising star in Iran.

pursued by the Soviet troops had been killed on Iranian soil, a matter of some importance to Tehran in view of its support for the Afghan insurgents.

On the question of Iran's strategy after its recent victories against Iraq, Hojatolislam Moaddikah said that the Iranian leadership was bringing down the Baghdad regime of President Saddam Hussein. The Iraqi leader no longer had "the capability to win the war", but it was up to the Iraqi people to decide his fate: "If they want to keep

him they will, if not, not".

On internal matters, the minister refused to comment on a report in *The Times* that 8,000 opponents of the regime, mainly belonging to the left-wing Mujahedin-e-Khalq, had been executed in the past three months, beyond saying that the Mujahedin were responsible for "hideous crimes, worse than terrorism anywhere else".

He could not confirm that 15,000 political prisoners were being released, but said that those who were able to "lead healthy lives" in Islamic society would be set free.

Peace team fails to end Gulf war

Kuwait, April 15. — A four-member non-aligned peace team has failed in its latest attempt to end the Gulf war between Iran and Iraq, a member of the group said today.

The committee, which returned to Kuwait last night after visiting Tehran and Baghdad, had been unable to reconcile conflicting demands by the warring nations; the man who declined to be named, added.

Iran had reaffirmed its demand that Iraqi troops should withdraw from its territory before it would hold talks. The committee set up in February last year, comprises the foreign ministers of Cuba, India and Zambia and Mr Farouk Kaddoumi, head of the political department of the Palestine Liberation Organization.

Peace efforts by the Islamic Conference Organization are expected to resume soon. Mr Habib Charr, its secretary-general, said last week that an Islamic peace mission planned to visit Baghdad and Tehran towards the end of this month. — Reuters.

□ Tehran: Ayatollah Khomeini, the Iranian leader, said here today that young women who had lost their husbands as "martyrs" in the Iraqi war should remarry in accordance with "divine tradition".

Zambians halt trains to Zaire

Lusaka, April 15. — Zambia has suspended rail traffic to and from Zaire after the stoning of a Zambian-operated train on the Zaire side of the border, the official Zambia news agency said today.

It quoted a spokesman for Zambia's state-run railways as saying Zambian train crews were frightened to cross into Zaire because of the incident yesterday. But the spokesman added that the suspension of traffic would be lifted when the situation returned to normal.

It is the latest in a series of border incidents and follows frontier clashes between security forces at the end of February in which three Zaireans and one Zambian were reported killed.

On Monday, Zambia demanded the unconditional and immediate release of about 20 Zambians detained in Zaire. Zaire said they would be freed as soon as administrative problems were sorted out.

□ Cape Town: Mr P W Botha, the South African Prime Minister, said in Parliament today he would probably have a meeting in the near future with President Kenneth Kaunda of Zambia.

Mr Kaunda told a South African newspaper "last month that he wanted to meet Mr Botha to discuss potentially explosive developments in Southern Africa. — Reuters.

Reagan proposes tax relief for private education

From Bailey Morris, Washington, April 15

President Reagan today proposed a controversial and costly programme of tuition tax credits for families whose children attend private and religious schools.

In a move designed to shore up his faltering support among middle class Americans, Mr Reagan said he would soon submit legislation to Congress granting tax relief of up to \$500 (\$250) a student to families with annual incomes of up to \$50,000. A smaller credit is proposed for families with incomes of up to \$75,000.

Mr Reagan unveiled the programme in a speech

delivered in Chicago to the National Catholic Education Association which represents more than 10,000 Roman Catholic schools across the country. Mr Reagan said the programme was aimed at "overtaxed parents" who bore the burden of paying for state schools while choosing to send their children to private schools.

He defended the move by saying: "Alternatives to public education tend to strengthen public education. We must ensure that these classrooms continue to provide the finest education possible."

The high cost of the programme, estimated at

\$500m in the first year and rising to \$1,500m at the end of three years, is bound to raise objections. There is likely to be severe criticism in Congress and among organizations representing poorer Americans who have been particularly hard hit by the Reagan budget cuts.

Of equal concern, however, are the delicate social and constitutional questions raised by tuition tax credits, which are regarded by critics as racially motivated and a violation of the required separation of church and state.

Since white children comprise the bulk of pupils attending private and par-

ochial schools, black organizations have vehemently opposed tuition tax credits in the past, regarding them as a means of furthering segregation and reducing equality of public education.

Nevertheless Mr Reagan has apparently decided to gamble on his belief that his traditional, middle class supporters will be heartened by the tuition credits.

In recent weeks he has strongly defended his Administration's record on education, particularly his programme on higher education, which has been sharply criticized, even by some of the President's closest supporters.

In the second of his series of live radio broadcasts, Mr Reagan said that contrary to published reports his Administration was not cutting the amount of loans available to needy college students, only the growth in the cost of administering those loans.

The fear among middle class Americans is that they will not be able to afford to send their children to college, which can cost up to \$10,000 a year in tuition.

Mr Reagan contends that under his proposals four and a half million students will receive guaranteed loans in 1983, a 22 per cent increase over this year.

in disarray
gh cuts
'short

Delhi, April 15



Charan Singh: Comeback

Regional parties, are expected to retain their hold on West Bengal, but the coming of the election in Kerala, where Communism had until recently, is uncertain.

Charan Singh epitomizes the importance of personalities and the closeness of parties in Indian politics. That is why the Gandhi family affair, a daily quarrel, assumes importance. At first sight, the Gandhi family appears to be a conflict of interest. In a society where most wives go to their in-laws in the end of the day, Mrs Gandhi ordered Manu, who is 25, out of the house after he had addressed a meeting of supporters of her husband, Mr Sanjay Gandhi, who is now facing charges of having enjoyed the political and financial benefits of his father-in-law's power.

Manu, a well-known journalist, is now in a state of confusion. He is a member of the Congress party, and he is a close friend of Mrs Gandhi. He is a member of the Congress party, and he is a close friend of Mrs Gandhi. He is a member of the Congress party, and he is a close friend of Mrs Gandhi.

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Old age:
can you
sleep
it off?

LETTERS TO THE EDITOR

AMERICA'S OTHER CRISIS

Pity Mr Stoessel, the American Deputy Secretary of State, reading once more the well-trodden path between Jerusalem and Cairo. His mini-shuttle is not as arduous as the mega-shuttle being performed by his boss Mr Haig, but the implications are no less profound, involving as they do an American attempt to salvage the peace process from a welter of emotional charge and counter-charge.

Emotion is always difficult to disentangle from politics, and impossible to disentangle in the Middle East. Deeply held religious and national beliefs clash, coalesce and clash again. The issue which surpasses all others is that of Jerusalem, possessed by the Israelis, but regarded by Muslims as their second most holy city after Mecca.

There is nothing manufactured about the wave of fury in the Muslim world following the killing of two Arabs and wounding of thirty others by an Israeli trainee soldier on Temple Mount last Sunday. The instant assumption in the Arab world that the gunman concerned was acting in complicity with the Israeli authorities is almost certainly as ludicrous as the Israelis say it is. The arrested man may have had accomplices, but that is not the same thing. The culprit was an American Jewish immigrant, connected with the kind of extreme Jewish groups rightly consigned by the majority of Israelis to the lunatic fringe. The Temple Mount, moreover, is just as sacred to the Jews as it is to Muslims, and the outrage has shocked Israeli opinion.

Arab accusations of Israeli complicity have their roots in

a widely-held feeling that the Government of Mr Begin, even though it condemned the shooting, has itself pursued the kind of consistent expansionist and Arab policy which encourages extremists, unwittingly or unwittingly. This explains the overwhelming response on Wednesday to the call by King Khalid of Saudi Arabia for a one day protest strike, with the attendant danger of more precipitate anti-Israeli action of the kind advocated by radical Arabs.

The Israelis can reply — that there is at least as much extremism on the other side. The Palestine Liberation Organisation still refuses to recognize the right of Israel to exist, and it has not in practice renounced terrorist methods. The Israelis now complain that the PLO is harassing them not only from Lebanon but also from Jordan and Egypt, countries which have restrained Palestinian guerrilla activities in the past.

The charges against Egypt, which is alleged to have tolerated gun running by the PLO into Gaza from El Arish, on the Egyptian side of Sinai, are particularly serious, since they strike at the very heart of the bilateral treaty between Israel and Egypt achieved at Camp David.

Tension with the PLO over Gaza and Lebanon also puts in question the ceasefire engineered by the United States between Israel and the PLO last July. The ceasefire was seen by some as a possible basis for negotiations which might build on the achievement of Camp David and lead — eventually — to mutual recognition by both sides.

This leaves Mr Stoessel with the task of ensuring that the widely predicted invasion of Lebanon does not take place, and that the fragile ceasefire survives. But he also has to ensure that Israel's handover of the final portion of Sinai to Egypt goes ahead in nine days as planned. An invasion of Lebanon, on top of the recent rioting on the West Bank and Gaza, would put at risk whatever progress towards a comprehensive settlement. A break in relations with Egypt over Sinai would undo what has been achieved so far, in the face of centuries of hatred and mistrust.

Fortunately, there are indications that the Sinai handover will not be held up, and that talk of delay may have been a manoeuvre designed to force Egypt to stick to the letter of the peace treaty rather than heed the siren voices of the Arab world urging it to go back on Camp David. Mr Stoessel, at least, has pronounced himself relatively optimistic.

If passions can be cooled over the desecration of the Dome of the Rock, the Sinai timetable maintained, and tension reduced on the Lebanese border, the search might resume for a formula giving the Palestinians self-government on the West Bank. Those, however, are very large "ifs", whose fulfilment requires reason rather than emotion, and foresight rather than short term advantage. The presence of such qualities at Camp David helped to stitch the peace treaty together; their absence at this juncture could yet pull it apart at the seams.

KEEP AMBIGUITY IN DETERRENCE

Four distinguished Americans have now added their voices to the growing chorus of experts who say that Nato should rely more on conventional weapons for the defence of western Europe. In a powerful contribution to the current issue of *Foreign Affairs* Mr McGeorge Bundy, Mr George Kennan, Mr Robert McNamara and Mr Gerard Smith, all of whom served President Kennedy, move out ahead by arguing not only for less reliance on nuclear weapons but for a declared policy of no-first-use.

They point out that any use of nuclear weapons carries a high risk of escalation into general war. Because of this and the profusion of systems on both sides it has become more difficult than ever to construct rational plans for the first use of these weapons by anyone. But the main value of a policy of non-first-use, they say, would be to the health of the western alliance. Public discussion of the possibility of limited nuclear war in Europe has had an unsettling effect, particularly in West Germany, which would be the main battleground. Therefore it is important to widen the "firebreak" between the start of conflict and the use of nuclear weapons. The only way of doing this is to build up conventional capabilities. They argue that this need not be as expensive as is generally assumed because of the arrival of modern precision-guided weapons and the weakening of the military solidarity of the Warsaw Pact. In any case, "even if careful analysis showed that the

necessary conventional posture would require funding larger than the three per cent real increase that has been the common target of recent years it would be the best bargain ever offered to the members of the alliance".

Most of their argument is very sound. Nato's strategy of relying on so-called battlefield nuclear weapons as a cheap substitute for men has been dubious ever since the Russians achieved nuclear parity and positively dangerous since they started to bring in new generations of theatre nuclear weapons. The strategy carries twin dangers. On the one hand there is the danger that in any conflict Nato would have to leap too quickly into nuclear war to avert conventional defeat. On the other hand there is the danger that fear of nuclear war becoming uncontrollable would prevent or delay the use of nuclear weapons and thereby make defeat certain. The only answer is to reduce or even abolish battlefield nuclear weapons and develop the ability to fight a longer conventional war. This is perfectly possible, given the political will. It is difficult to imagine any European government finding the money at the moment but if the money could be agreed the money might gradually follow.

The one flaw in the argument of the distinguished Americans is their proposal for a declared policy of no-first-use. A certain amount of uncertainty and ambiguity is essential to deterrence. If the adversary were to become too confident that a conflict could

be confined to conventional warfare he might be more tempted to take risks. Almost certainly it is only the fear of nuclear war that has prevented war in Europe since 1945. It would be dangerous to reduce that fear too much, or to spread the impression that conventional war is somehow acceptable where nuclear war is not.

The problem is that the Americans cannot frighten the Russians without also frightening their allies. To be credible they must persuade the Russians that they might really use nuclear weapons, but the moment they have done this their allies are liable to run for shelter. This is essentially a political problem. Unless the Europeans are prepared to take over responsibility for their own nuclear defence, which remains a distant possibility, the only way of lessening the problem — it cannot be removed altogether — is to build up more political trust. At the moment Europeans alternate between worrying that the United States will not defend them at all and worrying that they will all be killed in the process. Since Mr Reagan came into the White House the pendulum has swung to the latter fear. It could be helped back towards the middle by successful negotiations on arms control. Meanwhile, the conventional option should be pursued with vigour but not to the extent of making public commitments on when or how nuclear weapons would be used.

THE JURY THAT STAYED FAIR

The essence of the jury system is that it should be based as far as possible on the principle of random selection. If it strays too far from that ideal it will lose the very purpose for its existence, and its reputation and respect in the eyes of the public. In practice, of course, no jury can ever be truly representative of the community from which it is drawn. There are statutory exemptions and disqualifications. People in certain occupations cannot serve, nor can those with a serious criminal record (the test for which is soon to be tightened so as to exclude more former criminals from becoming jurors). Disabilities or specific personal circumstances also diminish the pool of potential jurors. There are, too, those who should not sit because of their connection with a particular case. But in spite of all these derogations it is still basically true to say of English juries that they are chosen broadly, at random.

There is one procedure, however, placed in the hands of the defence, that can severely distort the randomness principle and lead instead to utterly unrepre-

sentative juries, picked for their apparent sympathy. Every defendant has the right to challenge three potential jurors without giving a reason. This does not matter much where there are only one or two defendants. But where there are a number, each with three challenges, the composition of a jury can be altered radically.

There has been widespread criticism of such challenging methods in a number of recent trials involving mainly black defendants. In 1977 (at a time when every defendant had seven peremptory challenges) more than 100 jurors were refused by seven defendants charged with various offences arising out of the Notting Hill carnival. In the trials following riots in the St Paul's area of Bristol in 1980, the twelve defendants used up thirty-five of their thirty-six challenges.

The fifteen accused in the Terry May case challenged thirty-seven jurors originally, and when the trial had to restart, twenty-six more jurors were removed before the second jury was picked. The result was that the jury consisted of five blacks, five

whites, and two Asians. It is obvious that this would not have been the balance achieved if totally random selection had applied. Yet the jury took to their lengthy and difficult task with admirable conscientiousness and reached verdicts of guilty on a large number of charges. Mr Justice Farquharson's unstinting praise of their efforts was well merited.

What the May case demonstrates, first, is that it is insulting to suggest (as, unhappily, Lord Denning did over the St Paul's trial) that black jurors will tend to acquit guilty black defendants on purely racial grounds. There is no evidence of that. Secondly, it shows that although there are large numbers of defendants the right to challenge can produce unrepresentative juries (though many randomly picked jurors also turn out to be unrepresentative), the accused will not necessarily gain by their tactics. The case for reducing the number of challenges without cause, or even, as some would have abolishing the right altogether, retaining only challenges for cause, has not been made out.

'Economic duress' in labour law

From Mr A. J. P. Doyle
Sir, In your issue of April 8 you published a letter from Professor Lord Wedderburn in which he complains that as a result of the recent decision of the House of Lords in the case of the *Universe Sentinel*, where the doctrine of economic duress was held to apply, trade unions cannot now know when they might be guilty of a "new" wrong.

In 1978 this ship unloaded its cargo and was held up in a British port, having been black-listed by the ITF (International Transport Workers' Federation) and by tug workers as a flag-of-convenience ship. To avoid catastrophic losses the American owners were forced to capitulate to a series of union demands for payment of retrospective wages, new contracts for the crew and so forth. In addition the union demanded and received a payment by way of a contribution to its welfare fund.

Unquestionably a demand for improved wages is protected and the shipowners would have had no claim for losses resulting from union action to prevent their ships leaving port.

In the instant case, however, the shipowners took a point of principle, namely: was the demand for the contribution to the welfare fund protected? The court decided it was not. There must be some link to the protection given by Parliament. Does Lord Wedderburn agree that a demand for a contribution to funds of a guerrilla organization might not be protected even if associated with a claim for improved wages?

Would he not also agree that a claim for a contribution to the personal bank account of a union official might not be protected, or a demand for payment to the strike fund of the union itself, or another union? If some demands are not protected clearly there is some element of uncertainty.

Contrary to Lord Wedderburn's view, I suggest that the social reality is that the majority of us, union and non-union members alike, recognize that a line must be drawn and we look to the courts, where we find judges whose impartiality and integrity are beyond question. To suggest that in drawing a line judges, who are the authors of the common law, are antipathetic to "workers' solidarity expressed in trade union action" is, to use words used by Jeremy Bentham in another context, "nonsense on stilts".

Yours etc.,
A. J. P. DOYLE,
33 Cavendish Square, W10.
April 13.

Lost for words

From Mr R. G. Osmond
Sir, I read in the press (report, April 12) of efforts made in the latest issue of *Foreign Affairs* to remove an alleged sexist bias in English. Two points strike me.

It is surely the prime function of a work of linguistic reference (whether dictionary or thesaurus) to be primarily descriptive of accepted usage rather than prescriptive of what the compiler considers should be standard usage. Humpty Dumpty may have thought that words meant what he wanted them to mean, but that is surely not an acceptable approach for a hitherto reputable work of reference.

Secondly, there is an ineluctable impoverishment of vocabulary in such an approach. To take one quoted example, "country-dweller" does not mean the same as "countryman" which it is reported to replace. It requires only a moment's thought to conclude that many countrymen live in towns, and that many country-dwellers will never become countrymen (or countrywomen) for a month of Sundays. What about "fellow-countrymen" (or compatriots)? They are not the same as fellow country-dwellers, even if that infelicitous phrase were to gain currency.

In short, the approach seems "unconceived" of a word with appropriate sexist bias in this instance?

Yours etc.,
RICHARD OSMOND,
The Naval Club,
38 Hill Street, W1.
April 14.

Tree for a tankful

From Mrs Clare Fordham
Sir, I must say that I have always understood it to be the case when the word "mankind" that man embraces woman.

Yours faithfully,
CLARE FORDHAM,
26 Measham Road,
Ashby de la Zouch,
Leicestershire.
April 14.

From Mrs Marjorie Fergus
Sir, The letter from Mr Paul Medcalf (April 12) echoes my thoughts as I was travelling from Florence to Bologna yesterday. The banks on either side of the motorway were covered with trees, shrubs and creeping plants and the central reservation had either grass, or small hedges or both. I thought how pleasant it would be if the barren wastelands we call motorways could be similarly planted.

Incidentally, all the lay-bys were spacious, with trees and shrubs, had areas of grass on which to picnic and all had a table with a thatched "sunshade" and wooden benches round it, very different from the disgusting sight of some of our lay-bys.

Yours truly,
MARJORIE FERGUS,
50 Gresham Road,
Bushey,
Hertfordshire.
April 13.

Black cricket in South Africa

From the President of the South African Cricket Union
Sir, Misconceptions and errors perpetrated by Mr Robert Archer (March 30) cannot go unchallenged.

Mr Archer questions the motivation and sincerity of the South African Cricket Union (SACU) in its efforts to promote cricket among all races in South Africa. It should be a cause of regret to Mr Archer and all who follow cricket that my predecessor, Mr Rashid Varachia, died in office last December during his fifth term as president of the SACU. He is thus unable to answer Mr Archer's charges personally, but the track record of the SACU under Mr Varachia's direction stands as his monument and it is my intention to continue along the path set by Mr Varachia.

The SACU was established in 1977 as a non-racial controlling body. The constitution states that the union administers cricket "in such a way as to enable participation in it of all inhabitants without distinction of colour, race or creed". This principle embodies players, administrators and spectators.

Mr Archer questions whether the SACU has a mandate from white cricketers to pursue this policy and in particular to spend the sums of money necessary to raise the standards of black cricketers. The answer is that the SACU has vigorously followed this policy since its inception and some 75 per cent of money for coaching and equipment is spent on what we term underprivileged areas, in essence black areas: this despite the fact that cricket is not yet as popular among the black community as it is among whites.

Mr Archer's figures of SACU membership are out of date, but it is probably correct that the ratio of white to non-white cricketers is in the region of 9:1. We in the SACU prefer, however, not to label cricketers according to race but rather to ensure equal opportunities for all cricketers. The SACU is a fully democratic organization and its policies enjoy wholehearted grass roots support. It is surely significant that Mr Varachia was elected unopposed to each of his five terms as president.

All cricketers in South Africa have access to all facilities. There are no racial barriers to membership of clubs or access to grounds under the control of the SACU.

References to the South African Government's "multinational" policy of 1976 have no relevance in 1982. The SACU operates as a fully autonomous body which does not countenance interference from any outside agency, including the Government. Whatever the policy of the Government may be, particularly in regard to schools cricket, as raised by Mr Archer, it is a fact that regular inter-schools matches involving players from all sectors of the community take place on a home-and-away basis. A scholarship scheme has been instituted to enable talented young cricketers from underprivileged areas to attend leading schools where their talent can be developed. Intensive coaching in "black" areas takes place daily throughout the cricket season.

Mr Archer questions the assertion that the more than 50 English professional cricketers who spend their winters in South Africa are working hard to improve black, and particularly schoolboy, cricket. Yet most of these professionals are employed primarily as coaches and the majority play a major role in the activities outlined above.

Mr Archer refers to "fine words" and promises that have not been fulfilled. If he were to visit South Africa, as did a delegation of member countries of the International Cricket Conference in 1979, he would see for himself just how much has been achieved. Although the primary objective of the SACU is to achieve a fair deal for all South African cricketers, rather than an end to international isolation, the ICC delegation concluded unanimously that the SACU had fulfilled all the conditions for membership set by the ICC.

Despite South Africa's continued isolation there is no dispute in cricketing circles as to the genuineness of the South African Cricket Union's efforts to eradicate racism from South African cricket.

Yours sincerely,
JOE PAMENSKY,
South African Cricket Union,
PO Box 9430,
Johannesburg 2000,
RSA.
April 5.

Falklands crisis

From Lord Bethell, MEP for London, North-West (Conservative)
Sir, The United States' stance over the Falklands crisis reveals not only conflicting geographical loyalties, as explained in your leading article today (April 12), but also, most dangerously of all, the hint of a readiness to compromise the principles that are the main justification of the Atlantic Alliance.

What distinguishes Nato from the Organization of American States and other groupings is its members' obligation to elect their governments democratically. True, certain countries, Greece for seven years and now Turkey, have been out of date, but the democratic requirement is always there, giving the lie to those European neutralist heretics who seek nowadays to portray the two superpowers as equally damnable.

It is this, rather than any wounded pride at having our nation placed on the same level as Argentina, that should begin to disturb us. The United States, faced with a choice between an ally of principle and an ally of geography, seems to be hesitating and weighing up the expediencies. Nato it seems, is no longer an overriding alliance.

There are other elements in the case that make American neutralism seem bizarre. The Argentine Government, since 1976, has institutionalized police murder. It helped to undermine President Carter's grain embargo against the Soviet Union and it now commits the worst crime in the international law book, military invasion of another country's territory, one that itself enjoys full democracy.

Perhaps President Reagan sits astride the fence only temporarily, so as better to be able to mediate that would be a reasonable tactic, though one dangerously open to misinterpretation. However he now descends from his uncomfortable perch, the suspicion will remain that his main preoccupation is to preserve stability in his own "back yard" even if it means currying favour with finger-nail-pulling regimes.

While it is still too early to make this into a general forecast of American long-term policy, Britain will have noted these past days the fact that it was the 10 European countries, faced with the invasion of one of their

associated territories by an outside power, who acted unequivocally and immediately.

Yours sincerely,
NICHOLAS BETHELL,
Vice-Chairman,
European Parliament,
100 Avenue de la Libération,
Plateau du Kirchberg,
Luxembourg.
April 12.

From Professor G. E. Fogg, FRSE
Sir, I am concerned that so many of your correspondents think that, our obligations to the islanders apart, there is no point in Britain retaining sovereignty over the Falklands.

Interest in the economic exploitation of the islands is growing and it seems probable that some development will be in the area of the Falkland Islands Dependencies.

The productivity of the sea is higher around South Georgia than anywhere else in the Southern Ocean and these waters are already being fished by several nations, although not by Britain.

Oil and minerals, if they occur in exploitable quantities, will be won with less difficulty in the dependencies than elsewhere in the Antarctic. Most of the exploration and research in this sector has been carried out by Britain, whereas the contribution by Argentina has been trivial. Surely we should benefit from the 60 years of survey and research we have done in this area. Our knowledge and expertise will be essential, in any case, if exploitation is to be carried out in an ecologically acceptable way.

Transfer of sovereignty of the Falklands to such a volatile country as Argentina would limit our use of this key base for operations and open the way for the achievement of what seems to be Argentina's ultimate aim, assumption of exclusive rights in what is now the Falkland Islands Dependencies.

The only acceptable compromise would be to hold the rival claims of Argentina and Britain in abeyance by including the Falklands, South Georgia and the South Sandwich Islands within the Antarctic Treaty area.

Yours faithfully,
G. E. FOGG,
Bodelmer,
Llandudfan,
Isle of Anglesey.
April 9.

Organ voices

From Mr Charles Strange
Sir, Dr Stanley Monkhouse's views (April 12) on the merits of the organ (apart from its inclusion in some orchestral scores) is in any case very secondary to its prime function as a liturgical instrument, whose scale and distinctive qualities greatly depend upon a just acoustical relation to its natural environment — the stone architecture of cathedral or church.

Yours faithfully,
CHARLES E. STRANGE,
15 Wentworth Gardens,
Palmer's Green, N13.
April 13.

From Mr L. D. Remmett-Peay
Sir, Sir Robin MacLellan (April 5) may be interested to know that there were apparently more Romans in Britain in 1937.

The Society for Pure English, of Oxford, dated its *Tract on Linguistic Self-Criticism* MDCCCXXXVII (sic).

I am, Sir,
Yours faithfully,
L. D. REMMETT-PEAY,
The East India, Sports & Public Schools Club,
16 St James's Square, SW1.
April 6.

The Church on a collision course?

From Mr Frank Field, MP for Birkenhead (Labour)
Sir, Today (April 2) Synod publishes *Worship and Doctrine*, which is intended to help clergy and lay people understand the law governing worship in the Church of England.

This guide's publication is presumably part of the Church's response to the widespread unease over recent liturgical reforms, the way new forms of worship have been introduced, and the recent actions in Parliament which have reflected a general sense of unease about what is happening in the Church of England.

In the last session of Parliament moves were made to strengthen the position of congregations wishing to base their worship on the Prayer Book. The Synod of the General Assembly is reported as saying that legislation, "it would have posed very great problems indeed for the Church".

It would be wrong for anyone in the Church's hierarchy to think that the disquiet surrounding the new form of service will quietly subside with the production of Synod's new guide. Nor should the hierarchy be under any illusion that the disquiet of Anglican MPs is linked only to the attempt to impose a new liturgy.

A careful reading of *Worship and Doctrine* shows that, far from strengthening the laity's influence in deciding the form of worship in their parish church, it has been further reduced.

More significant is the ruling on what was technically known as Series 1 and which was in fact the form of service used by most parishes in the Church of England for the greater part of this century. It is this service which most people refer to when talking about the Prayer Book and the new guide tells us that its use is now illegal. It is difficult to reconcile such an action with the public profession of the new guide which urges "generosity" in settling disputes over whether *The Book of Common Prayer* or the *Alternative Service Book* should be used.

The way the Church is conducting itself also came to the surface when the ecclesiastical committee considered the Pastoral (Amendment) Measure. The area of concern centred on the section which makes it easier for the authorities to pull down churches. The ecclesiastical committee has no power to amend a Measure, only to accept or reject. Many members agreed reluctantly to the measure, but only after witnessing the most squalid little political manoeuvre I have seen this parliament.

This brings us to the nub of the issue. The Church of England is a self-governing Church and I wish it to remain so. But increasingly the Church wants all the advantages of establishment, without any of its disadvantages. It would appear that, perhaps unthinkingly, much of the hierarchy longs for the status of a public institution, in high blood terms it should be honest about it. If its present behaviour continues it may sadly find itself in direct conflict with Parliament.

Yours faithfully,
FRANK FIELD,
House of Commons.
April 2.

From Mr B. J. Rider
Sir, About 60 years ago in Jersey I used to apply leeches to the temple of a friend who at that time suffered from high blood pressure. I found no difficulty in persuading the right end to set to work, even though I was an amateur at the job.

What may interest your correspondents is that the leeches, after surgery, were placed in a salt solution in order to persuade them to disgorge and so be ready and hungry when next required.

Yours faithfully,
B. J. RIDER,
Cedar Cottage,
The Glade, Crapstone,
Yelverton,
Devon.
April 13.

From Mr Charles Strange
Sir, Dr Stanley Monkhouse's views (April 12) on the merits of the organ (apart from its inclusion in some orchestral scores) is in any case very secondary to its prime function as a liturgical instrument, whose scale and distinctive qualities greatly depend upon a just acoustical relation to its natural environment — the stone architecture of cathedral or church.

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I am, Sir,
Yours faithfully,
L. D. REMMETT-PEAY,
The East India, Sports & Public Schools Club,
16 St James's Square, SW1.
April 6.

Numerical advantage?

Opera: Giulini's return

Autumnal mastery of Verdi's emotional range

Falstaff

Music Center, Los Angeles

Carlo Maria Giulini this week returned to staged opera. He has been away for 14 years, indication enough of the depth of his distaste for working conditions in the theatre which made him determined to stay only with concert halls and recording studios. His staid, the time of life when many opera conductors are at their peak, have passed — or almost passed — with only a recording of *Rigoletto* to represent the lyric theatre. And without that *Rigoletto* there would surely have been no *Falstaff* in Los Angeles. It runs until May 1.

If Giulini has become almost a stranger to opera in performance then Los Angeles, the home of his orchestra — the Philharmonic — is in exactly the same state. It is several decades since international-level opera performances have been given here. Absence and absence may be good for sharpening the palate, albeit a performance the audience made it quite clear that they were hungry for opera and for Giulini to conduct it.

For him it was a personal triumph, acknowledging character, a vindication of the decision to take up again almost at the point where he left off. *Falstaff*, for a city deprived of opera, might have been an odd choice, but for Giulini it was the right one. At one point it was after all the opera which he made his British debut, at the Edinburgh Festival. The quicksilver quality of Verdi's score, where almost every section seems to be over before it has even begun, has always been close to the soul of the Los Angeles Philharmonic, which under its present conductor has become a highly refined instrument, delighting in delicacy.

At 65 Giulini brings out the reflective melancholy so often missed in the score. It is an



Renato Bruson's strong, intelligent Falstaff, with Katia Ricciarelli

autumnal interpretation, a fact well realized in Ronald Eyr's staging. The farce has been stifled until the approach to the final fugue and, in its place, there is a wry comedy of an old warrior who knows that his best days are well and truly past. He is, in the shape of Renato Bruson, singing his first *Falstaff*, a solitary figure relying for company on a couple of layabouts, ruffians and mercenaries at the same time, Bardolph and Pistol by name (Francis Egerton and William Wildermann, both excellent).

It is all summed up in the first scene of Act III with *Falstaff*, muffled up against the dark

him, sitting in the courtyard of the Garter. There is even a kennel: *Falstaff* is quite close to the doghouse. His monologue lists everything he is growing fat, yes fat; his hair is turning grey. *Tutto declino*. The world and *Falstaff* together are going to pot. Giulini and Bruson handle this passage superbly, with the rumblings of the orchestra turning into temporary pleasure as the wine does its work. The key to *Falstaff*'s life is that his pleasures are becoming fewer and fewer — there was an earlier orchestral sliver of delight when Ford opened his bag of gold with the instructions "spendetele, spendetele".

Bruson has taken on *Falstaff* at a time when his voice may well be at its peak; most baritones prefer to leave it until later. The role is sung throughout with a fine fastidiousness and great beauty of tone. He is careful to understate, even when he emerges in his Act II finery, white clothes and a red sash, a giant raspberry ripple with his hat stuck like a wafer on the top. The performance could take a little more verbal bite, especially in the opening scene. But a world short of *Falstaff* has acquired a new one of strength, stature and high intelligence.

The Ford, Leo Nucci, could be a *Falstaff* too one of these days. His voice is almost as well shaped and

projected as that of Bruson. But he has been poorly served by his producer, who has turned him into a toothy fellow, the Ken Dodd of Windsor, instead of the jealous and vengeful husband. Indeed the Ford family do poorly and need attention before the production comes lock, stock and full cast to Covent Garden at the end of June. Katia Ricciarelli was oddly ill at ease as Alice, a role which should allow her soprano to soar into the auditorium.

By way of recompense Los Angeles have come up with a delectable pair of lovers in the form of Dalmacio Gonzalez and Barbara Hendricks. They sing and perform as almost in a childlike dreamworld — much relished by Giulini in the pit — which is infinitely preferable to the bitchery and trickery of their elders. Gonzalez, noted in Paris last winter, is probably with his clean, boyish tones, the finest Fenton since Alva.

The production team, from London, of Ronald Eyr and his designers Hayden Griffin and Michael Stennett, have done a solid job rather than an inventive one. Windsor Forest has been more magical and the Garter more evocative, but the Fords are well housed. At few points does the staging go against the conception of human comedy, wry and mellow, which Giulini and Bruson have placed at the heart of this *Falstaff*.

Just what persuaded Giulini back is a matter for future biographers. Ernest Fleischmann, executive director of the L.A. Philharmonic, must have had an opera as a gleam in his eye when he engaged Giulini as music director — it is more than that now and he is hoping for two or three productions a year in the mid-Eighties. Gunter Breest, who with his DG team is recording all the Los Angeles performances, certainly played his part when *Rigoletto* happened. What matters is that the operatic silence has been broken. Covent Garden will hear *Falstaff* in midsummer and Florence will have it in May next year. Both will be excellent places to be at.

John Higgins

Television

Operational hazard

"Won't a cross do?" asks Bruce Anderson as he is asked to sign the consent form for the transplantation of his new heart. He is reacting violently to the anti-rejection drug, and his hands are shaking, but he manages the signature and subsides to await the heart.

At this point the heart seemed somewhat in balance as we had heard one of the staff reporting that Mr Yacoub's plane was running 35 minutes late but, in the event, he made his helicopter transplant operation and the heart was in place. Mr Anderson's chest could be opened and he would be there to perform the transplant in an hour and a half. And so he was, with the cardboard box that held Mr Anderson's best hope of life.

Thereafter it was a sanguinary business with some reassurance in Mr Yacoub's verdict that it was a "beautiful heart". The calm continued even when blood gushed suddenly and alarmingly upwards. "Don't make a mess, please," he said to an assistant.

The Forty Minutes team are to be congratulated on their technique and their stamina. Three, including the producer Louise Panton, were present in the theatre throughout, having scrubbed up like the other specially sterilized equipment. Mr Anderson, happily, will be seen again in next week's programme pursuing his recovery routine. Scrubbing up on this occasion will not be necessary.

Dennis Hackett

Concert

America personified

BBCSO/Bernstein

Festival Hall/BBC2/Radio 3

Leonard Bernstein's contribution to the bicentenary of America's independence was a work for six voices and orchestra called *Songfest*; it was his portrait of modern America in poetry and music. It has taken six years to reach London in a live performance (by any reckoning, five years too long). On Wednesday the composer conducted its first performance in Britain, making his debut with the BBC Symphony Orchestra.

The whole concert was relayed on BBC television, and simultaneously matched with the stereophonic sound of Radio 3, so I decided to watch and listen at home, particularly the interval talk was by Bernstein, with actors to speak all the fourteen poems set in *Songfest*.

Bernstein has always been lucky in his ideas, unusual, exciting and theatrical. *Fancy Free*, *West Side Story*, *Candide* (a lost cause vociferously defended), *Mass* was more embarrassing, whether or not you have set your face against organized religion, but it still provoked thought, and interest.

Songfest sets out to characterize various aspects of America now, a land of immigrants, of aspiration and love, of persecuted minorities. The grandeur is proud to be a Jewish-American, the Jewish centre includes a Whitman poem, most tenderly set, about love of man for man, a fervent example of noble feminism by a Spanish fe-

William Mann

Theatre

Laughter too scarce

The Joke Collector

Playhouse, Liverpool

While I have been able to enjoy most of the work of the new company at the Liverpool Playhouse, I have not been able to enthuse; nor has the company won more than a small share of the youthful Liverpool Everyman audience. Meanwhile, a large portion of the old Playhouse audience seems to have disappeared in the take-over by Liverpool playwrights — perhaps to bingo or greyhound racing.

There is something to enthuse about in *The Joke Collector*, which is a television play called *Tiny Revolutions*, but it needs those full houses that seem to have disappeared. The play is a collection of jokes cut from the body politic of Czechoslovakia. Many of them are delivered as if to the secret police of Czechoslovakia, but they need the steady contagion of laughter which is hard to achieve from scattered spectators.

Michael Beckham's play is based on the real life of Jan Kalina, a Czech professor of humour who ran a satirical cabaret for 30 years before being imprisoned in the political winter that immediately followed the Prague Spring. It uses Kalina's

collection of jokes that satirized the totalitarian regimes of Eastern Europe to tell his story, and the temptation is to retell the jokes to give a taste of the comedy that offended. "What's two hundred feet long and eats cabbages?" "A Czechoslovakian meat queue." "Czechoslovakia's going to have a navy." "A navy doesn't have a coastline." "So what, we have a ministry of justice."

The latter joke came to Kalina from his interrogators, who spent six months asking him to explain his jokes, and Vovet's production divides itself between the interrogation, a reconstruction of the cabaret, and Kalina's home life complete with police microphones. The play would have benefited from an actor who is more of a comedian than Geoffrey Jackson. His professorial approach may be accurate, but the punchlines could use more punch.

The overall production is well acted and witty, but not performed with all the cabaret exuberance that would have been the point. Gareth Williams offers a model performance, and more of his sort of work would really identify each joke as a little revolution.

Ned Chaillet

Major Barbara

Birmingham Rep

In the way of things *Major Barbara* is always timely. It may no longer be fashionable to think that armaments manufacturers are the masters of the world, but its servants as everyone from Bernard Shaw to Leslie Charteris used to suggest, but the manufacture of weapons is still a happy hunting-ground for moralists.

Shaw's subversive comedy strikes out against easy liberal assumptions by making a hero of Andrew Undershaft, the millionaire manufacturer of arms. In his notes, Shaw calls him Saint Andrew Undershaft, for preaching that the chief evil of the world is poverty. It is the philosophy of a found-

ling, and the part hinges on the idea that every Andrew Undershaft for generations has been a founding, adopted and given the name and intelligence while the legitimate son has been disinherited.

Shaw's St Andrew is tempted by an illegitimate child after meeting his children when they have become adults, but the child is Barbara, a major in the Salvation Army, and there is the challenge of Mephistopheles on meeting Faust. While Undershaft sets out to win her soul for his firm, she is looking for souls to bring to God.

As ever in Shaw, the play's action is in thought and argument. Unusually, there is also a scene of sudden brutality, shocking in its brief reality as a man storms in and hits women. Gary Olsen gives that character a rough force that heightens Shaw's portrait.

Ned Chaillet

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Cinema

An urgent and chilling conviction

Circle of Deceit (X)

Gate, Notting Hill; Screen on the Green

The World of Gilbert and George

ICA Cinematheque

Visiting Hours (X)

Classic, Oxford Street

"Never stand still in Beirut", Hanna Schygulla advises Bruno Ganz's reporter here in *Circle of Deceit* (*Die Falschung*), the impressive new film by Volker Schlöndorff — his first, indeed, since *The Tin Drum*. The advice is salutary, for this is Beirut in 1975, in the grip of the Lebanese civil war. Explosions, bullets and burning tyres cascade around him as he gathers material for a Hamburg-based magazine, in the company of an eager photographer (played by director Jerzy Skolimowski). Snipers encoined in the Holiday Inn idly aim their rifles at street-sellers; the roads at night become an

obstacle course of miniature front-line warfare. In *Circle of Deceit* are subjected to so many perils that a film critic can only feel awed and humble: the highest peril we face is falling over someone's shopping while finding a seat in the dark.

But the whole film was made in the grip of fear and danger. Schlöndorff's crew were on location in Beirut when the fighting was still close at hand. Extras and exiles were shot locally, though blank ammunition for rifles proved harder to track down. Schlöndorff's perseverance has paid off magnificently: the scenes of street turmoil convey so much reality that the screen has to carry advance notices telling audiences that "all scenes... are totally imaginary".

The confusion surrounding the fighting rings equally true. The world's journalists crowd into their hotel foyer with typewriters, telex machines, conflicting opinions and a babel of languages (chiefly German, French and English); the film carries subtitles. As with his previous films (particularly *Coup de Grace*), Schlöndorff shows a keen eye for the absurd image, the dark irony. A hooded fighter in the Holiday Inn plays Beethoven on a concert grand; a dress-shop mannequin is wheeled across the street after the latest outburst of sniping. As the film surges forward from absurdity to atrocity, one chilling visual refrain emerges: despite all the horrendous damage to buildings and humans, nothing seems to touch the television sets.

Schlöndorff's material comes from a best-selling novel by Nicholas Born, a West German journalist who went to Lebanon in 1977 to test his suspicions that facts were being twisted for the



"Circle of Deceit": Hanna Schygulla fraternizing in Beirut

purposes of entertainment. The Bruno Ganz character is his fictional surrogate, but the circle of deceit that traps this journalist also has a personal dimension. He toys with separating from his wife, he becomes tentatively involved with Ariane, an old colleague who married a Lebanese and lives, widowed and childless, in a mansion full of decrepit splendour. The characters' private turmoil helps considerably in raising the film's temperature, for Schlöndorff does have a tendency to fill the screen with grandiloquent, chilly gestures. Hanna Schygulla's performance as Ariane is crucial here: freed from the arid glitter of recent Fassbinder films, she radiates with warmth and approachable beauty.

Circle of Deceit is also notable for avoiding any

deceit itself. The nightmare muddle of the Lebanese civil war is never straightened out in the interests of a conventional tidy narrative; the emotional predicaments similarly retain their complexity. All told, few other recent movies can approach the film for urgency, power and importance.

After Schlöndorff's hurriedly, one might expect peace and quiet from *The World of Gilbert and George*, which runs at the ICA Cinematheque until April 24. Gilbert and George, after all, are the British exponents of "living sculpture": they position themselves in art galleries, impeccably dressed in sober suits. From one standpoint, the duo represent a far-flung wing of cultural aesthetics: the materials of art are simply transformed into its very subject — and

the ultimate material of every art is the mind and body of the artist. Yet from another standpoint they belong to the grand tradition of English eccentricity, gently clowning about with poker faces and whimsical intent.

George is tall, with receding hair, glasses and a voice that seems to have leapt from the soundtrack of a Gaumont-British newsreel. Gilbert is shorter and speaks with a slight, disconcerting German accent. This 70-minute Arts Council film, devised and directed by the artists themselves, is most engaging when observing them in action (or inaction), enjoying domestic rituals at their East End home or moving about with exquisite dignity to various pieces of music. They flex their bodies to the song "Bend It" (a wonderfully ridiculous sight); they wriggle on the floor during the hymn "The Day Thou Gavest Us Musical Symbols of Church and State" (continually haunt the soundtrack). They stand rigid by windows and polished wood, planning to shop for a terracotta vase and an "Arabic chair" (they are at a table; George gravely bids Gilbert to Leicester cheese and suggests a bizarre evening out: "Let's go to the Clifton and see some waiters").

If their cinematic world were entirely made up of these eccentric ballets and stilted conversations, the film would be comparatively easy to assimilate. But there are other elements involved, and the cumulative result is strangely unsettling. Some of the material is simply impenetrable — like the verbal commentaries hovering just beyond the borders of sense as the camera surveys various flowers or clasp-up foot. The hermetic, however, is quickly followed by glimpses of the all-too-public — riverside dereliction, graffiti on corrugated iron, a drunk on the pavement. East End youths come before Gilbert and George's camera, trying to describe their own lives. The words have a struggle getting out, but the most popular occupations seem to be playing *Space Invaders*, watching football, having a laugh and walking the streets. An impression builds up of barren, aimless urban life — though the unsympathetic might argue that Gilbert and George are hardly standing around in art galleries. Still, the world of Gilbert and George, as pinned down on film, is provocative; all collectors of cinematic oddities should pay them a visit.

Last and least is *Visiting Hours*, a Canadian shocker about a disturbed hulk obsessed with torturing a laughable caricature of a television journalist (played unfortunately by Lee Grant, who should know better). The producers were previously involved in the cheeky nightmares of David Cronenberg (*The Brood*, *Scanners*), but the present director — Jean Claude Lord — shows a flair for boring, rather than scaring, his audiences.

Geoff Brown



"Visiting Hours": Lee Grant — as a television journalist — assailed by Michael Ironside

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§ Forward bargains are permitted on two previous days.

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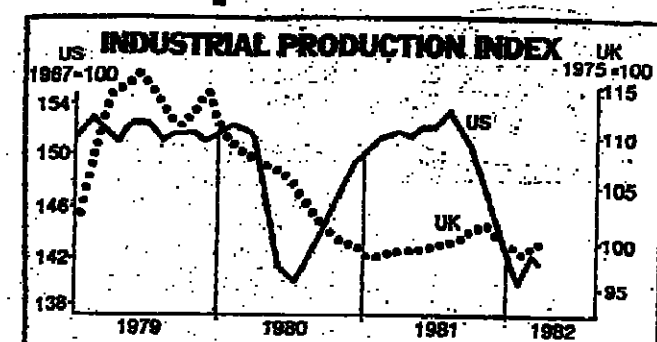
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BUSINESS NEWS

US output falls



Sources: Federal Reserve Board (Datastream) Central Statistical Office

United States industrial production declined by a seasonally adjusted 0.8 per cent in March, the Federal Reserve Board said. This follows a revised increase of 1.2 per cent in February and a decline of 2 per cent in January. British industrial production rose by 0.6 per cent in February while January estimates were revised upwards. The United States estimate for February was revised down from 1.6 per cent. Output of United States factories, utilities and mines stood in March at 141.2 per cent of its 1967 average, down 7.2 per cent from a year earlier. Production of business equipment declined by 1.2 per cent after rising 0.3 per cent in February, while consumer goods declined 0.3 per cent last month after rising 1.5 per cent in February.

Car makers to meet

Leaders from British and Japanese motor industries will meet in Tokyo on May 26 and 27 to discuss prospects for Japanese car sales in Britain this year and British market demand.

Meanwhile, President Mitterand of France was to raise the issue of Japan's booming trade surplus in talks with the Prime Minister. Mr. Zenko Suzuki, yesterday, although he realized that no immediate progress could be made.

World bank dilemma

Members of the International Development Association, the concessional lending arm of the World Bank, have failed to make their agreed contributions of \$4,100m this year, Mr. Tom Clausen, World Bank president, said in Lagos, Nigeria, yesterday. Only about \$1,500m has been received so far, he said. Mr. Clausen called on governments of countries south of the Sahara to raise prices to farmers to encourage food production, which otherwise would fall seriously short of the region's needs.

Profits slump at News Corporation

Net profits of Mr. Rupert Murdoch's Australian-based News Corporation tumbled from A\$3.6m to A\$1.8m (10.8m) in the half year to December 31, reflecting heavy losses in the United Kingdom. These included losses from Times Newspapers, the large trading loss of the newly launched Sunday magazine by the News of the World and heavy investment in the circulation of The Sun. The dividend is unchanged at 5.5 cents.

MARKET SUMMARY

Liquidation hits prices

LONDON EXCHANGE

FT Index 544.8 down 9.6
FT 100 66.59 down 0.31
FT Allshare 314.23 down 4.33
Bargains 15,615

Prices fell steadily through the day after the appearance of several large lines of stock, thought to have come from liquidation at one of the leading investment trust groups. Flemings, Touches and Great Northern Investment Trust are all restructuring.

The lines, mostly of the leaders, were placed, but at discounts to the market price. This, fear of further liquidations, and the placing of the Zilkha estate in Habitat 67, all helped to depress the market. The Falklands crisis, worries of further rises in United States interest rates, and the end of the account, all combined to make jobs wary of taking stocks on the market, and institutions nervous of buying.

Oil prices came back on interest rate worries as sterling stayed relatively steady. Shorts were down around 3/8, most mediums lost 5/8, and longs were also around 5/8 lower.

Among the leaders, GEC was down 1/4p at 792p, BSC down 1/4p at 224p, BP 5p at 282p, Thorn EMI 10p to 420p, Blue Circle 8p to 450p and Plessey 7p to 363p.

COMMODITIES

By the close of business last night it looked as though the brief recovery in metal prices had failed. Cash higher grade copper lost 28 a tonne to \$268, and three months was lower by the same amount at \$267. Lead, zinc, aluminium and nickel also fell. The only exception among base metals was tin. Purchases by the buffer stock manager helped to push cash metal up by \$8 to \$27,138 a tonne while three months gained \$10 to \$27,372.

Silver, which has recently benefited from the strengthening of gold, fell back. At the bottom of the spot price lost 5p an ounce to \$250, and three months silver shed the same amount to \$249p an ounce. Dealers expect that silver will weaken further without support from gold.

Much the biggest advance was made by April cocoa, which gained \$20 a tonne to close at \$350. But this was largely the result of nearby technical factors, and the May contract was only \$1 higher at \$373 a tonne. May was tight because a major speculative short position was being unwound in New York.

TODAY

Building societies figures (March); useable steel production (March);
Board meetings — Interim — Berry Trust, Unilever, Finals — Horace Cory.

OTHER EXCHANGES

Tokyo: Nikkei Dow Jones Index: 7,120.86 down 60.67
Hongkong: Hang Seng Index: 1,201.26 down 2.55

CURRENCIES

The pound moved erratically in this nervous trading but ended on a firm note. The lower trade-weighted index reflected earlier selling.

LONDON CLOSE

STERLING \$1.7820 up 35 points
Index 89.9 down 0.3
DM 4.2850
Fr 1.1000
Yen 437.00
DOLLAR Index 118.5 up 0.3
DM 2.4233 up 58 pts
GOLD \$363.25 down \$1.25

MONEY MARKETS

Rates tended firmer in a nervous market. The Bank of England bought £793m of bills having forecast a shortage of £750m.

Domestic Rates:
Base rates 13%
3 month interbank 13 1/4%
3 month bill 13 1/4%
3 month DM 9 1/4-9 1/2%
3 month FR 23-22 1/2%

Lloyds fears loan default by Argentina

By Anthony Hilton

Argentina is bound to default on loan repayments in the event of a full war with Britain, Sir Jeremy Morse, chairman of Lloyds Bank, said in London yesterday. This is the first formal statement on the loans by Lloyds Bank, whose subsidiary has substantial interests in the country.

"Everyone is striving to avoid a default so there is little chance that one could be triggered by accident", Sir Jeremy said.

The terms of each loan varied but in general it required a majority of the lending banks to agree before a default could be declared. This implies that Argentina could miss repayments to a number of banks but still avoid being called in default.

Sir Jeremy refused to say how much a default may cost Lloyds, nor how much it had advanced of the £795m syndicated loans in which it is involved. In the event of war the entire portfolio of debt could be in jeopardy. Earlier, however, he reassured shareholders at the annual general meeting that the bank could absorb any losses.

Lloyds was deeply concerned with developments in Argentina, he said. Its subsidiary, Bank of London and South America, has 38 branches and 2,000 staff in that country, and was one of

the 10 British firms most deeply involved. The bank has brought out some British staff.

While Argentina was making every effort to meet its obligations to foreign banks, payments were overdue to British banks and more could be expected to fall overdue in the next few days, Sir Jeremy said. He believed the country was paying money owed to Britain into an escrow account in New York but no funds had been received from that source.

Argentina is believed to have a pressing need for new loans but Sir Jeremy did not see this exerting immediate influence on its government.

Sir Jeremy also warned against taking too tough a line on Poland. Although the medium-term debt had been rescheduled, the agreement did not cover short-term debt, he said.

Lloyds has arranged more than £250m of finance for the second stage of the Sicasat steel complex in Mexico being built by the Sheffield company David Lowy.

The Department of Trade said yesterday that import licences on goods from Argentina will be issued only when they are authorised by other government departments, or if evidence that the goods are in transit is received by May 7.



Sir Jeremy Morse yesterday: sure that Lloyds could absorb losses

£77m industry boost for depressed areas

By Baron Phillips and Jonathan Wills

Public money totalling £77m is to be spent in an attempt to make two of the country's most depressed areas — Liverpool and Motherwell — more attractive to industry and commerce.

Up to £20m will go to financing a speculative office development in the heart of Liverpool, the Department of Industry announced yesterday, while £57m will be injected into the Scottish steel town over the next five years under a deal signed with Strathclyde Regional Council and the Scottish Development Agency.

Through the English Industrial Estates Corporation Ltd has been spent on acquiring the old five acre Exchange Station and hotel site from National Car Parks, which has owned the site since August 1980.

This is regarded as the first major Government initiative in helping to revitalize Merseyside since Mr

Michael Heseltine, Environment Secretary, toured the city with key businessmen and institutions directly after the last four Toxteth riots last summer.

It is also a significant advance for the corporation which is better known for the construction of factory and industrial buildings in the country's depressed areas.

In Motherwell, the SDA is putting £37m into the fourth big project it has announced in the past three months. The region will contribute £14m and the district £8m.

The aim is to create 3,000 permanent jobs in new and refurbished factories. A massive scheme of environmental improvements will transform decaying areas. New roads, sewers and waterworks will be built.

Existing firms, new companies and incoming industries will be offered ready-made factories and workshops, backed up by a package of financial and advisory services.

British Gas and Government fail to agree

Stalemate over Wytch Farm sale

By Johnathon Davis, Energy Correspondent

British Gas is still at loggerheads with the Government over the enforced sale of the corporation's 50 per cent stake in Wytch Farm, Britain's largest onshore oil field, even though the disposal was meant to have been completed by the end of last month.

The Department of Energy has been studying British Gas's proposed offer for sale document for five weeks, but a number of key issues remain to be settled. The discussions also involve Lazard, who are advising British Gas, and S G Warburg, advising the Government.

Among the sticking points are:

- British Gas's proposal that offers for the Dorset field should be invited without specifying how the purchaser should pay for the stake. While the Treasury is naturally keen to raise hard cash from the sale, the corporation has not ruled out

Workforces opt for management buyouts

Maxwell rescues newspaper

By Margaret Pagano

Financial Weekly, closed last week by Fleet Holdings, has been saved by Mr Robert Maxwell's British Printing & Communication Corporation with the involvement of journalists who will put up part of the finance.

A deal has been quickly put together. Four key journalists, including the new editor, Mr Ray Heath, promptly approached Henry Ansbacher, the merchant bankers, to mount a management buyout. It is hoped that the publication will be on sale next Friday.

Mr Maxwell's group is believed to be paying £200,000 and the journalists together are staking £50,000 on the newspaper's future. They will take 24.9 per cent of the equity, which will be made up of convertible preference shares in a separate company under BPCC. The scheme is open to all staff.

All the 54 staff will receive redundancy payment under their contracts with Fleet Holdings with the 20 journalists collecting nine months' pay. Under the deal the staff

has been slimmed down to 28 employees with the number of editorial staff down to 13.

Financial Weekly, started by Trafalgar House, owners of the Daily and Sunday Express, under the wing of former Punch editor Mr William Davis in 1979, has been losing about £1m a year on a circulation of some 17,000 and 50,000 copies distributed free. Last year it joined with Accountants Weekly magazine.

Mr Stephen Hughes-Jones, the former editor, is still away on holiday and it is believed that he does not yet know of the closure. Mr Ron Hobbs, of BPCC, is the company's new chairman.

De Lorean rent-a-car hits a bump

INSIDE

Last week's "final" issue — but a relaunch is now planned

Workers at the Cheshire Fire Engineering company in Winsford, due to close later this month, are backing the formation of a new company launched by four senior managers.

Thirty of the 100 strong workforce have invested their redundancy money in Saxon Special Vehicle Bodies, the new company, buying £1 workers preference shares raising in excess of £20,000. The four managers now directors of the new company have raised £30,000 between them. They have bought the design drawings from the parent company lorrybuilders ERF of Sandbach.

Fire engine makers saved

A Cheshire company with a worldwide reputation for building fire engines has been saved from going out of business by the workforce.

US acts to protect savers

From Bailey Morris, Washington, April 15

In a move reminiscent of the 1930s, the United States Government has seized control of a huge California savings and loan association after nervous depositors withdrew more than \$70m (£40m) in one week.

The unprecedented takeover, described as a "Nationalized" move by members of the Federal Savings and Loan Insurance Corporation, was necessary to prevent the savings institution from going under.

Accordingly, the government has declared insolvent the Oakland-based Fidelity Financial Corporation, parent company of Fidelity Savings and Loan Association, one of America's largest building associations with deposits of more than \$7,400m.

This is the first time the Government has had to take

control of a savings and loan association to protect the assets of its depositors.

The association's problems really began during the period from 1978 to 1980 when it launched an aggressive lending policy making fixed-rate mortgage loans at rates of 11 per cent and 12 per cent.

When interest rates failed to decline, as Fidelity's management had expected, the association was forced to borrow short-term money at rates of 18 per cent and above to fulfil its loan commitments.

The result was that Fidelity Financial, its parent company, reported an operating loss last year of \$56.9m, despite its recorded assets of about \$2,930m.

Then rumours of the association's plight began to

circulate widely to the point that Fidelity's stock, which had traded at \$14 a share just two years ago, plunged to \$2 a share before authorities halted trading last Monday.

At the beginning of April, auditors said in an annual report to Fidelity's shareholders that they doubted "the continued existence" of the association. Analysts described the report as "the kiss of death".

This triggered a run on deposits which during the week of April 5 amounted to withdrawals of \$70m.

Meanwhile, Fidelity's management was frantically seeking to merge with another association in an effort to save the institution but when these efforts appeared to fail, federal officials took over.

A panel of judges representing advertising agencies and women's organizations helped to select four advertising campaigns. Three of these were television commercials for Camay soap, Persil Automatic washing powder and Nairn contour make-up. The fourth was a print advertisement for the Daily Mail.

Each product was tested in its "liberated" and "traditional" forms. The Nairn Contour Wallcovering advertisement, for example, showed a young attractive woman in a bathrobe stepping out of the shower to congratulate her husband who was doing the wallpapering while the second version showed a young woman in jeans hanging herself in a noose.

The advertising industry has been criticized for failing to reflect that only 5 per cent of households have a working husband, a wife who does not work outside the home and two dependent children and that 2 per cent of mothers with children now go out to work.

The alternative advertisements were shown to more than 600 women in Britain covering all age and social groupings.

The research study's significant finding was that where two types of advertising were used for a brand, the advertisement which showed women in a less restricted, modern role was consistently more effective. This was true for all women, whatever their age and occupation.

Dr Robert Hamilton, who led the University research team, said: "The best combination we found for an advertisement was the modern, liberated role which was portrayed realistically. The image which fared worst was that of the housewife tied to the kitchen sink, which was portrayed unrealistically."

Kuwaiti attack on Lonrho

By Philip Robinson

Gulf Fisheries, the United Kingdom investment group controlled by the Kuwaiti Royal family, is to attack the performance of companies bought over the last four years by Lonrho, the trading conglomerate, of which it owns 15 per cent. Their criticism will be detailed in a letter to shareholders expected next week.

It is part of a move to prevent the group, headed by Mr Roland "Tiny" Rowland, from raising its borrowing limits by 50 per cent to £1,464m for further expansion. Gulf argues that there is sufficient scope for this within its existing limits of £387m.

Lonrho proposed to raise the limits at its annual meeting earlier this month but Gulf insists that all shareholders should vote on the issue rather than only those who attended the meeting.

The poll date has been set for April 30 and Lonrho said yesterday that a significant part of its activities is trading, which entails holding substantial stocks for resale, financed by acceptance credits.

It said such trading activities are highly profitable and that it should be allowed to expand in this area unimpeded by borrowing limits.

Over the last four years the group has expanded outside Africa by acquisition and, Lonrho said, benefits are not reflected in the accounts over such a short period.

Gulf said that four years is long enough for attributable profits to show through.

Slight recovery in industrial production

By David Blake, Economics Editor

Industrial production rose by 0.6 per cent in February to stand at 99.9 compared with a 1975 level of 100. Manufacturing output rose by 1.7 per cent, according to the Central Statistical Office, which revealed that it had revised upwards its estimates for industrial production in January.

This is now set at 99.3 (1975=100) compared with an earlier estimate of 98.6.

The figures for the first part of this year were affected by bad weather and rail strikes, but they suggest that however severe the February, output was down about 1 per cent from its level in the previous three months. The underlying level was above the low point reached in Spring 1981, but well below the level recorded in the autumn of last year.

The figures are likely to disappoint ministers who had hoped for a strong recovery in output in February.

These hopes were influenced by indications that the steel industry was doing particularly well, something which has been confirmed by the latest figures. But other manufacturing industry, apart from the food sector, showed at best sluggish growth, as a result of depressed output at the turn of the year, manufacturing production was 2 per cent down in the three months to February, compared with the previous three months.

Energy industries found their output moving in the opposite direction to that of the manufacturing sector. In December and January their output was boosted by demands of the cold weather and in February the milder days cut down total demand for their products.

Bank lending expands

By John Whitmore

Bank lending to the private sector continued to expand last month, rising by a further £2,094m, according to the Bank of England.

Part of this rise in lending was the payment of taxes still owing as a result of civil servants' dispute last summer. About £75m of this was paid over last month.

This in turn helped to improve government finances and the central Government was estimated to have been in surplus by £53m, in the four weeks to March 17.

In addition, the Government sold £1,422m of debt

outside the banking system. Overall, the public sector had a contractionary impact on domestic credit of £1,723m.

The Government's finances in the period were also helped by the £54m raised by the Amersham International sale and some £200m from the Trustee Savings Banks' refinancing of export credits.

The rise in sterling M3 is confirmed at 0.2 per cent, but revised seasonal adjustments may eventually raise this figure, and correspondingly lower the January and February figures.

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FINANCIAL WEEKLY

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Taylor Woodrow results fall short of expectations

£4m setback overseas hits profits

Taylor Woodrow disappointed the market with its final pretax profit figure for 1981. Against expectations of about £26m, an improvement on the 1980 figure of £24.8m, the international construction and property group again announced £24.8m. The dividend is 13.15p net, making the equivalent of 23.29p gross, the same as last year (Sally White writes).

Although there had been fears for developments in Nigeria or the Far East, the City had not been expecting the £4m deficit on the group's share of a loss on a road contract in Trinidad. Taylor Woodrow, which is suffering the loss because of work being done by an associate, is pursuing substantial claims on the contract. The group believes it has made conservative provisions, and will not be drawn at this stage about hopes of any recouping of the money.

Given the wide spread of Taylor Woodrow's international engineering and contracting interests, analysts believe that even in this difficult state of the international economic cycle the group should be able to at least maintain profits. Adding back the £4m, that gives hopes of £28m for this year. The rating would be just over 13 times, which is higher than other building and construction groups because of the property interests.

The company's reaction to questions on the state of business this year sound rather more optimistic.



Richard Puttick: some bright spots

"The situation for the industry is that there are one or two bright spots here and there. But these are early days," said Mr Richard Puttick, chairman and chief executive.

The United States and Nigeria both have resilient economies, he pointed out. So perhaps it would be wrong to be too gloomy about prospects, even though interest rates continue to be relatively high.

Even in the United Kingdom, where analysts are saying that the Budget moves to boost the construction industry will have virtually no effect on Taylor Woodrow, Mr Puttick refuses to see the picture as entirely dreary. However, he is looking at the order picture as well as profits, and some of those orders that are continuing to come through will

take some time to end up in the pretax profits.

One factor in construction companies' favour is their costs. The depressed state of the industry has forced raw material and plant hire suppliers to offer very competitive prices.

On the property side, investors are still waiting for news of a tenant for Information House which, with its high rate bill, is a drain on Taylor Woodrow.

Initial reaction in the market was to mark the shares down to 500p from 525p, at which level they yield 3.8 per cent.

Smarting from winter shock

Combined English Stores Group, the specialist retailers whose interests include the Harry Fenton menswear chain, Salisbury handbags, the Collingwood jewelry outlets and Mercado carpet wholesaling, brought out final results yesterday that bore the scars of the winter weather (Derek Harris writes).

"The bad weather at Christmas cost us £1m in profits and threw us totally off course," Mr Murray Gordon, chairman said. Pre-tax profits at £2.682m were down 16.5 per cent on sales of £96.674m that had slid 9.6 per cent.

The final dividend is 1.66p, giving an unchanged dividend for the year of 3.15p.

The results were not as good as expected. This time last year Mr Gordon was looking to profits of around £4m. At the half way pre-tax profits had reached £116,000 compared with £380,000 losses in the previous first half.

But CES has also had to take on board this time £197,000 in expenses and interest costs from the group's latest acquisition, last November, of the Cheshire-based Eurocamp Travel.

Eurocamp's pre-tax profit of £840,000 for 1981, up nearly 40 per cent, has not benefited the group profits this time but will come through in the new first half. Bookings for this year are ahead of last, Mr Gordon said.

"We had high hopes until Christmas. The group is now slimmed down to mainstream activities. We are ready to take advantage of any upturn in consumer spending but business conditions are pretty rough at the moment."

If trading stays tough the group should still produce reasonable profits this year, he added.

At Scrimgeour Kemp Gee, Mr Geoffrey Carr analyst is looking this year to around £2m trading profits, with in addition the group's property dealing operations likely to continue at current profit levels (£1.41m this time to the end of January).

That would mean an earnings per share of 1.7p, with a yield at 37p a share running at 12.7 per cent. "This is a trading stock. Look to sell on a yield of 10 per cent and buy at 15 per cent," Mr Carr said.

There has been speculation that CES may not have finished selling off loss-making operations and the Fenton menswear chain in undoubtedly the biggest remaining problem. But losses have been cut from £1m to half that this past year and CES is looking to a new-broom effect from Mr Mark Latham just attracted in to run Fenton from his job as merchandise director of Burtons.

Surprise over brick profits

Given the depressed state of the house building business last year, analysts are scratching their heads over London Bricks 1981 profits. Drew Johnston writes.

The figure touched £11.1m, up £1m on forecasts, and though this is down on pre-recession profits of £14m in 1979, it helped bolster the share price.

The shares rose 1 1/2p to 87p before settling down to 86 1/2p.

Another factor in the company's favour was the increase in dividend from 3.76p gross to 4.5p gross giving an annual 6.98/gross against 6.24p last time, and a yield of 7.2 per cent. Sales were up from £123m to £127m.

Brokers indicate that though the share is closely tied to the housing construction cycle and is likely to move up — to as much as 100p over the next few months — "it is not a stock to be caught in when the music stops".

Unit costs are believed to be substantially down on last year. One awkward factor however is an expected price increase, which has not so far been announced.

Another issue is the growing interest of house builders such as Barratts, in timber frame construction. Forecasts for the current year's profits are around £15m.

A subsidiary, London Brick Landfill which fills worked-out clay pits with domestic waste, and has two big contracts with the Greater London Council, also increased its contribution to profits by an estimated £200,000 during the year.

INTERNATIONAL



JAPAN

Sharp fall in orders for ships

Foreign orders for Japanese ships fell by 70.8 per cent to 172,000 gross tons in March compared with a year earlier, bringing total orders for the year to March 31 to 4.14tons, the lowest for three years, the Japan Ship Exporters Association said.

The 1981 order total was for 253 ships compared with 266 in fiscal 1980 and a peak 294 in fiscal 1979.

Japan has been offered \$350m (£199m) worth of raw materials and manufactured goods from 10 nations and its emergency import financing programme, Finance Ministry officials said.

The government inaugurated the scheme in January to lead short-term funds through both Japanese and foreign banks in Japan to try to reduce the nation's trade surplus by boosting imports.

and legal settlements in France rose to a seasonally adjusted 1,476 in March from 1,342 in February but was below January's 1,708, the National Statistics Institute reported.

HONGKONG

The Financial Secretary, Mr John Bremridge, has lowered his estimate of the 1981 government budget surplus to HK\$6,900m (from HK\$7,700m). The reason, he said, was because of HK\$800m shortfall in expected revenue.

For the year ended March 31, he said, total revenue was estimated now to have been HK\$34,000m, with spending at HK\$27,100m.

A four-man declaration of the European Commission will arrive over the weekend for talks on the renewal of the bilateral textile agreement. These discussions are preliminary to the main negotiations in Brussels in June on renewal of the agreement between the EEC and Hongkong.

UNITED STATES

The ailing aluminium industry may push for labour cost concessions from the United Steelworkers Union when for the two sides meet for discussions on April 22, industry analysts said yesterday.

Early April sales of American cars fell by 18.2 per cent from depressed year levels. The five United States companies sold 133,502 cars in the first 10 days of the month the fewest sold in the period for 24 years.

FRANCE

The number of unemployed in March stood at a seasonally adjusted 1.97m, an increase of 0.7 per cent from February, according to Labour Ministry figures. The adjusted total for March is 18.4 per cent above that recorded a year ago and represents roughly 8.5 of the active workforce.

The European Commission is studying a request from France for a temporary ban on imports of certain Turkish textiles, spokesmen said. France's imports of Turkish under-shirts rose by 87 per cent in 1981 and imports of Turkish shirts by 255 per cent.

The number of corporate bankruptcies, liquidations

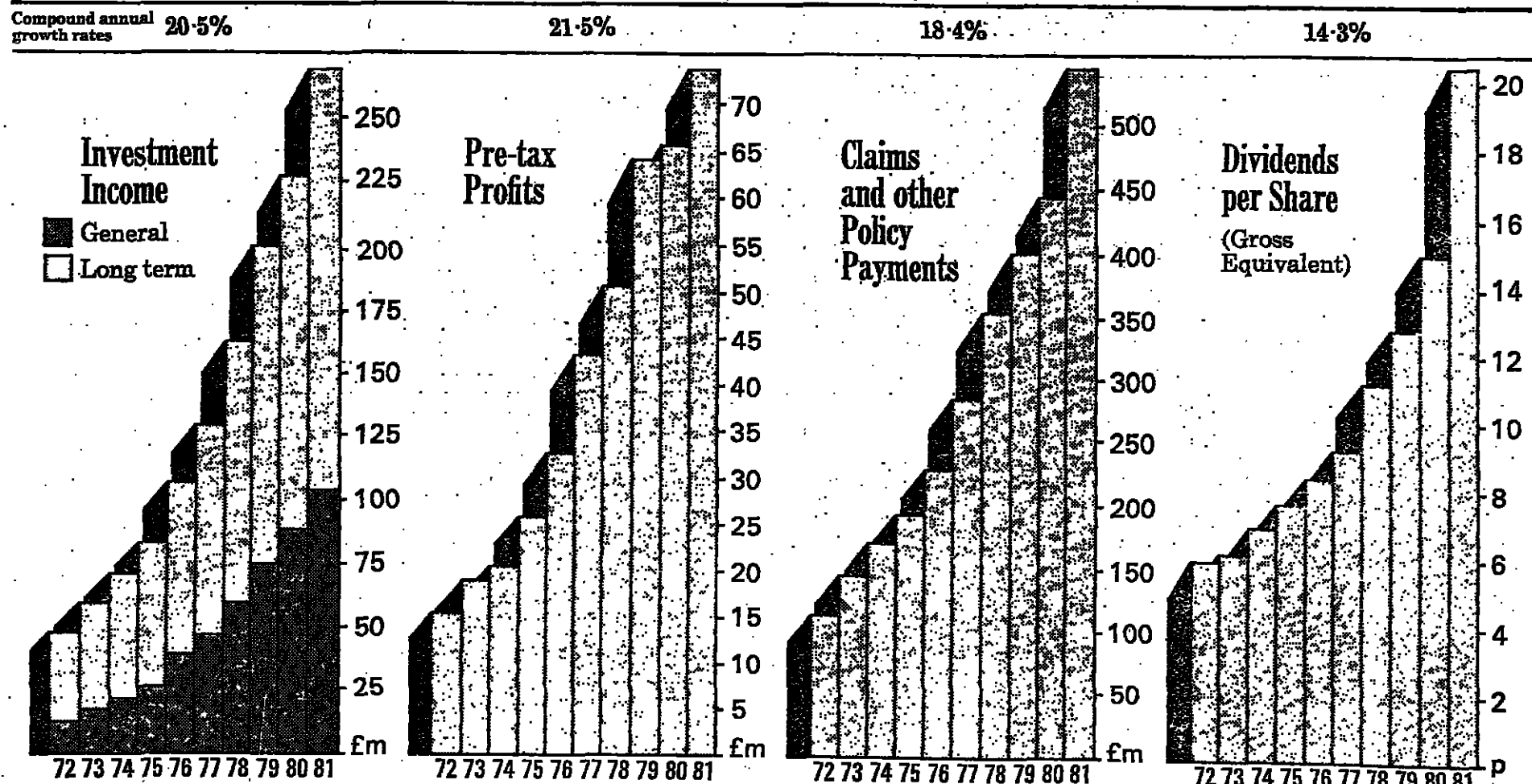
WEST GERMANY

West German retail sales in February were a provisional 6 per cent down in volume from February 1981, compared with falls of 7 per cent in January and 1 per cent in December. Large falls were in coal and oil products, pharmaceuticals and cosmetics.

SPAIN

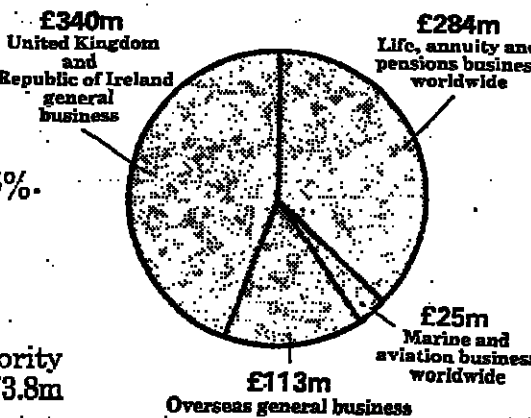
Spain paid \$1,740m (£986m) for imported crude oil in the first two months of this year, 29 per cent less than a year earlier. A total of 7.52m tons were unloaded compared with 8.8m tons in the first two months of 1981.

Eagle Star 1972-1981. 10 years' non-stop growth for the benefit of both policyholders and shareholders



Eagle Star has a record of uninterrupted growth unmatched by any other major British insurance company. Over the past ten years the annual compound growth rate for pre-tax profits has been 21.5%.

Analysis of worldwide premium income 1981



Grovewood Securities' pre-tax profits rose from £14.4m to £15.8m, a record for the fourteenth successive year.



Commenting on the outlook, Sir Denis Mountain, the Chairman, in his statement to shareholders, said:

"The prospects for continuing growth from investment income, Grovewood Securities and life are all good but the short term outlook for general insurance underwriting must be bleak.

The insurance results for 1982 will be influenced by the overall business environment. The downturn in economic activity has led to a reduction in demand for insurance leading to unprecedented competition for the available business.

We are always looking for ways and means of improving productivity and even greater efforts are being made to achieve this objective."



Eagle Star for your protection.

For the Annual Report, please contact: The Secretary, Eagle Star Holdings PLC, 1, Threadneedle Street, London EC2R 8BE. Telephone 01-588 1212.

AULT & WIBORG GROUP

Salient points from the Statement of the Chairman, Mr C. F. Strang.

- Group sales in 1981 totalled £55 million (1980 £53 million).
- Trading profit - before redundancy and closure costs - was £2 million (£2.7 million).
- Pre-tax profit was £120,000 (£1.2 million).
- Following a loss of £565,000 in the six months to 30 June 1981, the improvement in the second half reflects benefits arising from the cost reduction programme and some recovery in trading towards the end of the year.

PAINTS · CHEMICALS · INKS · ENGINEERING

Blagden Industries PLC

(Formerly Blagden & Noakes (Holdings) PLC)

Year ended December 27th	1981	1980
Turnover	£8,626	£8,224
Profit before taxation	2,006	2,581
Profit after taxation	1,220	2,732
Dividends per share	6.0p	6.0p
Earnings per share	8.5p	17.7p
Net assets per share	132p	129p

Prospects: Having regard to the range of products which we sell to the manufacturing and consumer industries, it is not surprising that we have continued to suffer from the effects of the recession. Whilst 1982 got off to a disappointing start and was much affected by the inclement weather, there are now signs of a slight upturn in business. If this continues we would hope to achieve our more optimistic expectations for the current year.

A. H. Sparrow, Chairman.

The Norwich Union Life Insurance Society

NOTICE IS HEREBY GIVEN that the ANNUAL GENERAL MEETING of this Society will be held at the Society's Offices, Surrey Street, Norwich, on Tuesday, 11th May, 1982 at 11.30 a.m. for the transaction of the following business:-

- To receive and consider the Reports of the Directors and Auditors and the Accounts for 1981.
- To elect Directors in the place of those retiring.
- To appoint Auditors and to authorise the Directors to fix their remuneration.

Dated this 14th day of April 1982.

By order of the Board
H. H. SCURFIELD, Secretary
Surrey Street, Norwich.



BUSINESS NEWS/FOCUS AND COMMENT

Argentina: fear of default



General Gallieri: looking for \$7,000m this year

Already fearing default on massive loans to Poland and Romania, international bankers are now suffering sleepless nights over their exposure to Argentina. The Falklands crisis has again raised the spectre of a default by a major international borrower leading to chaos in international capital markets.

As the confrontation between Britain and Argentina moves towards its climax, the world's financial institutions, including banks which have lent Argentina \$32,000m (£18,000m), are doing all they can to ensure that if possible — the Falklands confrontation does not upset the world of international finance.

Damage has already been done both to London's standing as a financial centre and to Argentina's creditworthiness by the freezing of Argentinian assets in Britain. But this is insignificant compared to the effects of a default.

Hence the recent visit to New York by Argentine officials to reassure American bankers that Argentina will continue to make payments on its huge foreign debts. Despite suspending payments to banks in Britain the Argentines have indicated they will continue to repay non-British banks which syndicates involving British banks and will make payments into a so-called escrow account in New York as a holding house for payments to British banks. The British banks will not get the money until the dispute is settled but American bankers that Argentina is prepared to honour its debts.

Meanwhile the United Kingdom authorities, despite freezing \$1,400m of Argentine assets held in the United Kingdom, are leading managers on Argentine loans.

1979-81

Lloyds Bank	No of loans	Amount (£m)
Amsterdam-Rotterdam	12	795
Deutsche Bank	4	437
Citibank	9	339
Bank of Tokyo	9	313
Midland/Crocker	12	293
	8	289

Source: Economist Intelligence Unit

and restricting any new credit to Argentina from London banks, stress that they do not want to push Argentina into formal default. Banks in the United Kingdom have \$5,800m worth of claims against Argentina so there is much at stake.

It is doubtful whether Government-imposed restrictions on banking with Argentina have had much effect. Credit to Argentina has dried up but that probably has more to do with Argentina's invasion of the Falklands and the resulting uncertainties than the British Government's clampdown on lending and assets freeze.

Against a background of worsening economic experience in the Latin American continent, Argentina's credit rating has been deteriorating anyway and it has therefore been paying more for its loans.

The delays over the \$200m Eurocredit for Segba, the Argentine electrical utility, and growing list of defections among the banks involved, is an indication of the

reluctance of banks in the present climate to commit more money to Argentina. The Segba loan will be discussed by bankers in New York today and further delay appears certain.

With external borrowing needs of about \$7,000m in 1982 to help service its existing loans, Argentina faces serious problems if it is shut out from international capital markets. Its reserves are low at about \$5,300m of which nearly a third is locked in London and the import ban by the EEC will reduce its foreign exchange earnings.

Whatever the outcome of the Falklands crisis, Argentina will continue to suffer. The episode will have thrown a spanner in the works of the hardline economic programme masterminded by Economy Minister Dr Roberto Alemann. The main plank of this was to reduce inflation by cutting government spending and thus the need to print money. But military expenditure to cover the invasion will make it harder than ever to

reduce the government deficit and affect much reduction in the 130 per cent inflation rate of 1981. This will not be overlooked by international bankers if and when the present problem is solved.

The American rather than the British banks are the big lenders to Latin America. But Argentina is an exception and Lloyds Bank especially is deeply involved.

Apart from having 38 branches in Argentina producing about £10m a year in profits and with a net worth of about £40m, Lloyds has been a big lender in the syndicated credit field. The table, showing Lloyds as lead manager on 12 loans worth \$795m to Argentina over the past three years, is a useful but imperfect guide of banks' exposure to Argentina; imperfect because lead managers do not necessarily take much of the loans they arrange on their balance sheets.

Instead they often like to collect the management fees for arranging the loan and then syndicate a large part of it to other banks. In some

cases it is conceivable that the lead manager carries practically none of the loan on its own balance sheet.

Nevertheless Lloyds would suffer badly in the event of a formal default, as would Midland with its subsidiary Crocker. According to one analyst's estimate, the exposure of the British clearing banks — ex-Crocker and Lloyds's domestic lending in Argentina — could be between \$500m to \$700m.

Providing Britain and Argentina do not find themselves at war, it is most unlikely that any banking syndicate would decide to precipitate a formal default and ask the agent bank to accelerate the loan as happened during the freeze on Iranian assets. But it could conceivably happen: Lloyds Bank admitted yesterday that payments on some loans were already overdue.

However, even where one bank in a syndicate wants to precipitate a default, it can often be outvoted by other banks involved and for the moment there is no sign of anybody wanting to take such drastic action. As with Poland and Romania, there is too much to lose, and little to be gained.

"The atmosphere is very different to the Iranian freeze when everybody was grabbing what they could. It's being handled on the basis that there will be a political solution and the banks will be paid," said one international banker.

The Bank of England seems to have played its part with characteristic pragmatism and flexibility trying to reach an accommodation between what was legally possible, the aims of the sanctions and the possibility of damage to British interests.

But the authorities accept that London's reputation as an international financial centre will suffer. Others feel the danger has been overblown. As one banker said: "Everyone said there would be damage to New York because of the Iranian freeze. I wonder".

Peter Wilson-Smith

Business Editor

Industrial output disappoints

At first sight the latest set of industrial production figures are very gloomy for the Government. At a second sight they are slightly gloomy.

Output rose in February from its January level by 0.5 per cent, considerably less than most people had expected given the disruption caused by snow.

But the January figures have now been revised upwards from the first indications given last month.

But after taking account of the fact that January turned out to have been considerably better than first thought, the latest figures show no signs of sustained recovery yet.

Both January and December were affected by very severe weather yet the February figures show only a 0.6 per cent rise for total production. Manufacturing output went up by 1.7 per cent in February, a much more healthy performance, but it was still below the level recorded in September and October last year. Only metal manufacture and the food, drink and tobacco sectors recorded big rises.

The pause in recovery in the early part of this year was predictable and predicted. Consumer goods sales are slowing down and restocking shows no signs of getting firmly underway. But prospects for later this year ought to be considerably better. Any world recovery on the back of falling oil prices ought to help our exports, and restocking should be making a significant contribution to demand by then.

The cloud in this otherwise bright sky remains, of course, the possibility of interest rates in the United States staying high.

Markets

Nervous times

Markets showed an understandable lack of interest in yesterday's full money supply figures for the March banking month.

Attention was much more fully concentrated on what was going on across the ocean, and the feeling was distinctly more jittery than for some days. Down went sterling, apparently to find official support around the \$1.753 level, before subsequently recovering; and up edged interest rates.

In money markets the Bank of England's Band 1 intervention level has remained anchored at 13.25 per cent, but the yield curve out to three months, strongly negative not to go so long ago, is starting to flatten out. The still leaves the Bank plenty of scope to allow rates to edge higher without disturbing base rates, particularly with the seven-day interbank rate still below 13 per cent.

This may be relevant so long as the economy remains over the Falklands situation and, perhaps, if the worsened expectations for United States money supply prove correct.

But one must assume that such fine considerations would hardly be relevant if war was to break out in the south Atlantic. Then the probability must be that interest rates would quickly suffer a crisis hike.

Meanwhile, the full March money supply figures are much as expected with the public sector proving a major contractionary influence on credit expansion and bank lending to the private sector rising by £2,090m. With an estimate of £1,500m still to be collected, the authorities still have something of a cushion. A cushion they may need if funding becomes difficult in the next few weeks.

RTZ Dividend peg

Rio Tinto-Zinc (RTZ) is putting a brave face on the sharp fall in attributable profits last year from £155m to £102m.

Interest rates, oil prices and inflation could all decline this year, the company says, and RTZ should respond quickly to a rise in metal prices, particularly copper. But there are many indications that this will be another difficult year for what nevertheless remains one of the world's most successful mining companies.

First, profits in 1981 were bolstered by an exceptional performance by Borax and by the weakness of sterling. It might be unwise to respond quickly to a rise in metal prices, particularly copper. But there are many indications that this will be another difficult year for what nevertheless remains one of the world's most successful mining companies.

Exchange rates, it must be admitted, confuse the whole picture. They in turn accounted for about half the increase in Borax's profits; and without the stronger dollar, whose average for 1980 was \$2.39 to the pound compared with \$1.91 in 1981, group sales in local currency terms would have been flat.

Metal prices are the second problem. RTZ's copper production still runs at more than 90 per cent of capacity and prices are above the company's undisclosed break-even point. Lornex and Palabora are profitable, a fair achievement when Phelps Dodge is closing mines. But in spite of the recent slight improvement on the London Metal Exchange, the prospect this year is poor.

Perhaps this is why an increase of £20m to £186m in profits after extraordinary items was insufficient to persuade the directors to recommend an increase on the total dividends of 22.9p gross paid the previous year. The company has, over £30m in recoverable ACT to savour once it has fully absorbed the Tunnel Cement and Thomas Ward and sees UK profits rising. But one has to be guarded about the overall prospect for 1982.

Experiments in chip chat

"User friendliness" is one of the catchwords most favoured by today's computer salesmen. It means that people do not need months of training to communicate with the machine.

But all information still has to be fed in through a terminal keyboard — and that is bound to intimidate someone who is completely untrained.

The really friendly machines of the future will have to accept input spoken to them in the user's normal language. They will have to speak back rather than flash answers on to a display screen or spew out printed paper. Many of the mass applications foreseen for computers — such as "expert systems" which the public can consult about anything from train times to medical advice — require them to carry out spoken conversations.

Electronics laboratories around the world are currently experiencing a surge of interest in voice technology.

Japan has made speech recognition a major goal of its now famous programme to develop a "fifth generation" of intelligent computers for the 1990s.

Several British institutions, public and private, are also in the forefront of voice research.

The most advanced product demonstrated yet in this country is Logos, a speech

recognition system developed jointly by the Government's Joint Speech Research Unit (JSRU) and the computer firm Logica.

The first commercial version of Logos is due to be delivered next month to British Telecom's Martlesham research laboratory. It will be used in experiments into the recognition of spoken commands over the phone — an investigation that might

TECHNOLOGY: COMPUTER SPEECH

By Clive Cookson

lead eventually to BT's electronic telephone exchanges being given a (very limited) capability to converse with subscribers who need help with a call.

Logos has a maximum vocabulary of 2,000 words and can recognize continuous speech at natural conversational pace. However, like all rival systems, it has several severe limitations.

Firstly, Logos can use its full vocabulary only if the speaker limits himself to the rules of grammar and syntax which the system is programmed to accept. Without the help of these special rules, Logos could not recognize more than 300 words.

The second restriction — and again it is common to

rival systems — is that each new user must "train" the machine to recognize his own particular vocal patterns before it will work for him. Mr Jeremy Peckham, Logos manager at Logica, says the system could recognize only about 20 words without any prior training.

The electronic generation of speech — known generally as speech synthesis — is much simpler than the reverse process of speech recognition, because the human listener copes with most voice abnormalities using his full knowledge of context, syntax and so on. But no machine can interpret the full unquantified subtleties of human language.

During the 1970s several cheap speech generators were developed. The best known is the synthesizer on a single silicon chip, which Texas Instruments incorporated in the Speak and Spell educational toy.

National Semiconductor is another successful manufacturer of speech synthesizer chips. They cost £23 each for quantities of 100 or more chips with a vocabulary of 144 words (with big reductions for very large quantities) or £40 each for 274 words. Chips of this sort, are being incorporated on new products ranging from talking lifts ("This is the third floor") to cars ("Please fasten your seat belt").

But, as a National Semiconductor spokesman said: "We



realize that such devices will not really take off in the marketplace until we have speech recognition to go with synthesis." The company is reportedly close to developing a speech recognition chip (though it is bound to be very expensive initially and limited to a few words of vocabulary).

The first commercial speech recognizer was introduced by Threshold Technology, an American company, in the mid 1970s. It and a few rivals now satisfy a narrow specialized market where the limitations — a small vocabulary of less than 100 words which have to be

enunciated clearly, one at a time, by a single specified speaker — are acceptable. An example is quality control, where the inspector uses both hands to examine the goods and his voice to tell a computer the results of the inspection.

when the speaker pauses between each word.

To follow natural speech, where many words run into one another or even get swallowed completely, the machine cannot rely on pattern recognition alone. It must have a knowledge of grammatical structure, and know which words are more or less likely to precede which others.

Continuous speech recognition is being investigated also by several other groups in the United States, Europe and Japan. In this country, the National Physical Laboratory (NPL) in Teddington is working on the basic technology, using a model avionic system (for example, "Set height 20,000ft."). The first commercial fruits of the research will be enjoyed by the 10 British electronics companies which belong to the NPL Speech Recognition Club and have contributed financially to the project.

In the United States, IBM claims the lead. Its researchers are working with a natural vocabulary of 1,000 English words and no artificial rules of grammar or syntax. They have achieved 91 per cent accuracy with trained people speaking at normal pace. One limitation of the experimental IBM system is that it still takes 80 times as long to process the words as the speaker takes to utter them.

However, IBM expects the delay to shrink rapidly as technology improves. Its scientists believe they can build prototype dictation typewriter within a decade.

In 1981, a year in which world recession proved to be deeper and longer-lasting than forecasters had predicted, few British companies managed to announce new record levels of profit.

But at J Bibby & Sons we proved, yet again, that diversification through selected areas, combined with controlled expansion, is a recipe for success that is sound in even the most alien of financial climates.

We achieved record profits — in fact, for the sixth successive year.

Our sales crossed the £200 million mark for the first time — profits increased by 12.59% to £12.184m.

We paid our shareholders more, raising the dividend total by 19.3%. Yet we still retained more than £7m towards our substantial spending

programme to secure our future by improving the quality of the products and services we offer.

And, because of our strong cash flow, we were able to keep borrowings to a minimum, and earn interest on short-term deposits.

We spent more in 1981 — some £8m in all — and our new Industrial Services Division was born with the purchase of

an 85% interest in Furmanite International.

In 1982 the markets in which we operate will remain competitive, but we are confident that our progression will continue. We have never been in a stronger position to meet the challenges of the future.

For your copy of the 1981 Report and Accounts, Write to: The Secretary, J Bibby & Sons PLC, Richmond House, Rumford Place, Liverpool L3 9QQ.

BIBBY

NOTICE OF ISSUE

Application has been made to the Council of The Stock Exchange for the undermentioned Stock to be admitted to the Official List.

EAST ANGLIAN WATER COMPANY

(Originally incorporated in England by the Lowestoft Water, Gas and Market Act 1853, the name of the Company being changed on 1st January, 1982 by the East Anglian Water Order 1981.)

OFFER FOR SALE BY TENDER OF
£2,000,0009 per cent. Redeemable Preference Stock, 1987
(which will mature for redemption at par on 29th May, 1987)

Minimum Price of Issue — £99 per £100 of Stock

yielding at this price, together with the associated tax credit at the current rate, £12.98 per cent.

This Stock is an investment authorised by Section 1 of the Trustee Investments Act, 1961 and by paragraph 10 (as amended in its application to the Company) of Part II of the First Schedule thereto. Under that paragraph, the required rate of dividend on the Ordinary Capital of the Company was 4 per cent. but, by the Trustee Investments (Water Companies) Order 1973, such rate was reduced to 2.5 per cent. in relation to dividends paid during any year after 1972.

The preferential dividends on the Stock will be at the rate of 9 per cent. per annum and no tax will be deducted therefrom. Under the imputation-tax system, the associated tax credit at the current rate of Advance Corporation Tax (37ths of the distribution) is equal to a rate of 3 1/4ths per cent. per annum.

Tenders for the Stock must be made on the Form of Tender supplied with the Prospectus and must be accompanied by a deposit of £10 per £100 nominal amount of Stock applied for and sent in a sealed envelope to Deloitte Haskins & Sells, New Issues Department, P.O. Box 207, 128, Queen Victoria Street, London EC4P 4JX marked "Tender for East Anglian Water Stock", so as to be received not later than 11 a.m. on Thursday, 22nd April, 1982. The balance of the purchase money will be payable on or before Tuesday, 25th May, 1982.

Copies of the Prospectus, on the terms of which alone Tenders will be considered, and Forms of Tender may be obtained from:

Seymour, Pierce & Co.,
10, Old Jewry, London EC2R 8EA.

Barclays Bank PLC,
61, London Road North, Lowestoft, Suffolk NR32 1LT.

or from the Offices of the Company at 163, High Street, Lowestoft, Suffolk NR32 1HT and 84, York Road, Great Yarmouth, Norfolk NR30 2LZ.

F J C LILLEY

Looking for
worldwide
contracts

F J C Lilley, the Glasgow-based civil engineering group which helped to build Hong Kong's mass transit system, London's Green Park station and was involved in the construction of the Victoria underground line is aiming to compete for much bigger contracts worldwide.

Expansion at home and abroad — the group has spent around £8.5m in the past two years — has depleted its cash reserves which at the end of last January stood at around £5m.

To finance new major

projects and provide sufficient lines of capital for making more acquisitions, Lilley announced yesterday that it wants to raise £5.15m from shareholders with a one-for-five rights issue of £120p. In the Stock Market, the shares dropped 6p to 160p.

The cash raising accompanied the group's annual figures which for the year to the end of last January showed pre-tax profits up from £6m to £7.8m on a turnover ahead £27m to £127m. As indicated at the half-way stage, the total gross dividend is lifted 10 per cent to 7.85p with a gross 5.02p final.

The group says that it expects trading to expand in the current year with a satisfactory order book. It has seen an increasing share of business from overseas markets which Lilley says

has to some extent offset the impact of the economic climate in the United Kingdom.

Mr James Aitken, chairman, said the group had not earmarked the new cash for any particular expansion although it intends to pursue a number of new opportunities.

HEWDEEN-STUART

Plunge into red

Hewden-Stuart Plant, the Glasgow-based construction equipment hirer, saw pretax profits of £2.9m in 1980 turn into a loss of £954,000 for the year to January 1982.

Turnover was also sharply down at £81m against £96m last time. The company said this decrease was "accelerated by the conscious decision not to pursue volume in the face of unecon-

omic pricing".

On the stock market, the shares backed the downward trend by falling 1p to close at 31p. This was largely due to a decision to maintain last year's dividend at 1.82p gross for the year.

Mr. Alastair Deakin, the company's finance director, said: "Interest charges fell from £4.2m to £2.9m. Cash flow per share of 9.46p against 14.57p was described as 'remaining extremely strong'."

"The directors have reached the conclusion that the recession has now bottomed out, that the workload of our customers is stabilising, and that inroads have been made into the substantial surplus equipment held by the hire industry which was responsible for the collapse of the rate structure", the company said.

Mr Deakin said that customers' use of equipment had picked up in the first two months of the financial year and that prices were hardening slightly.

The decision to pay this year's dividend out of reserves had been reached after regard to the conservative dividend policy of past years, he said. An additional factor was the positive cash flow and the company's view of the likely trading outlook over the next 18 months.

T. C. HARRISON

Overheads cut

Sheffield-based vehicle and heavy plant leasing group T. C. Harrison produced a 16 per cent increase in pretax profits to £2,883m in the 12 months to December 31, 1981 on turnover which was

fractionally down to £72,515m against £73,83m last time.

Action by the group to cut back on overheads has been the main contributory factor to the improved profits in the midst of a recession reports Mr. Edward Harrison, chairman. A boost to profits was the drastic reduction in interest charges slashed from just under £1m last time to only £168,000.

In spite of adverse trading conditions, Mr. Harrison comments that all divisions of the group made profits during the year including commercial vehicles which witnessed a 20 per cent shrinkage in the market.

Even in the heavy construction vehicle division, the group produced some commendable results. Profits from the earthmoving section more than doubled from £169,000 to £342,000 over the year against a background of falling construction activity.

As a result of improved profitability, Harrison's directors are recommending a final dividend of 2.18p a share, a 7 1/2 per cent rise on last year's 2.02p. Total dividend for the year is 2.18p share compared with 2.96p in 1980, representing an overall increase of 5.1 per cent.

Earnings per share have advanced from the previous year's 12.66p to 13.05p.

On the current year, Mr. Harrison comments that he is unable to predict what outcome but states that results will prove to be satisfactory. Profits in the first two months of the year are lower than the corresponding period in 1981 because divisions were hit by the inclement weather.

LATEST RESULTS

Company	Sales £m	Profits £m	Earnings per share	Div pence	Pay date	Year's total
Aberthaw Cement (F)	32.8(31.1)	3,192(2,56)	61.09(53.37)	7.5(6.5)	—	11.5(10)
Berkeley (F)	0.88(0.81)	0.32(0.35)	1.04(1.22)	0.35(0.4)	—	0.55(0.75)
Bethwood (F)	0.80(1.8)	0.18(0.17)	7.55(7.37)	5.5(4.5)	—	5.5(4.5)
Camorex (F)	19.9(22.89)	1,011(864)	6.97(4.73)	2.3(—)	1/7	4.0(2—)
Combined English (F)	98.67(105.5)	2,683(2,1)	3.82(4.0)	1.6(1.8)	20/7	3.1(3.1)
Clyde Pail (F)	24.08(17.35)	1.1(1.14)	0.35(2)	0.50(0.5)	2/7	0.5(0.5)
Dewdney & Mills (F)	12.23(13.4)	0.23(0.55)	0.78(0.7)	0.78(0.7)	—	—(1.65)
Fab Int. (F)	16.4(14.23)	0.9(0.77)	7.03(10.49)	1.8(1.3)	27/5	2.2(2)
Gen. Scot. Tel. (F)	—	1.26(1.16)	3.21(3.06)	2.1(1.3)	—	3.1(2.9)
T.C. Harrison (F)	72.57(73.6)	2,883(2,49)	12.03(12.5)	2.1(2.0)	2/7	3.1(2.9)
Hewden-Stuart (F)	81(88)	1.2(3.1)	—(m)	0.8(0.8)	—	—(1.0)
Kalamazoo (F)	16.5(15.7)	0.43(0.3)	—	0.2(0.2)	24/5	(2.5)
Land Invest. (F)	—	1.5(1.23)	—	0.2(0.2)	—	(1.0)
F. J. C. Lilley (F)	127(101.5)	7.8(6.1)	21.4(23.7)	3.5(3.2)	2/6	5.5(5)
Lon. Brick (F)	127(123.8)	1.1(1.07)	—	3.1(2.6)	3/7	4.8(4.3)
Marston (F)	15.5(17.88)	1.8(1.02)	9.59(11.39)	1.8(1.9)	14/5	(7.6)
Wm. Morrison (F)	198(177)	7.55(5.7)	10.3(8.3)	10.3(8.3)	29/5	1.4(1.2)
M. Crutwell (F)	133(123.7)	5.07(10.0)	10.6(15.4)	4(3)	16/7	7.5(7.5)
Neil & Spencer (F)	25.8(27.4)	1.4(1.16)	14.4(11.1)	—(0.7)	—	(2.1)
NRM Computers (F)	2.35(2.11)	0.54(0.5)	13.3(12.5)	4(2.5)	29/5	4(2.5)
M. F. North (F)	3.7(4.17)	0.08(0.45)	0.03(1.2)	0.6(0.6)	11/6	0.8(0.8)
Lon. & Holywood (F)	—	2.2(2.1)	6.17(5.8)	4(3.75)	—	6(5.75)
Lon. & Provincial (F)	—	3.04(2.8)	5.67(5.3)	3.9(3.3)	26/7	5.6(5.3)
Reading & Boden (F)	12.3(13.62)	0.15(0.38)	4.5(12.2)	—(1.2)	—	1.5(2.1)
R T Z (F)	3.02(2.798)	102(155)	40.4(61.6)	10(10)	1/7	16(16)
Taylor Woodrow (F)	575(520)	24.8(24.5)	48.3(55.5)	13(10)	1/7	16(16)

Dividends in this table are shown net of tax on gross profit. Wherever in business news dividends are shown on a gross basis. To establish gross multiply the net dividend by 1.428. Profits are shown pretax and earnings are net. L=Loss, B=Benefit for scrip issue, C=Cross revenue.



THE BEGINNINGS OF AN IMPROVED FINANCIAL PERFORMANCE

'What has been achieved is clearly due
to our own efforts'

Statement by Sir Trevor Holdsworth, Chairman,
from the 1981 Annual Report and Accounts.

The profit before tax of £34.6 million for the year, after the 1980 loss of £1.2 million, shows the beginnings of an improved financial performance stemming from the very stringent and costly actions that we took in 1980 and to a lesser extent in 1981.

In this achievement, we have had generally no help from economic or market conditions in the major countries in which we operate; in particular, the automotive and construction markets have continued to be depressed, giving inadequate levels of demand.

In the United Kingdom, our largest single investment area, it may be true that the bottom of the cycle was reached in the second quarter of the year. However, subsequent months showed very little improvement in demand. The recession is not yet over: activity remains flat and much capacity remains under-utilised.

Nevertheless, our efforts over the last two years have begun to yield improvements in financial performance. In 1980 the United Kingdom operations as a whole incurred a loss on trading of £18 million, and this was turned into a surplus of £13 million for 1981. Although this turn-around was a creditable achievement, results remain very far from satisfactory in the United Kingdom both in regard to the return on a turnover in excess of £1,000 million and on the resources invested.

Overseas the surplus on trading improved to £70 million from £55 million in 1980. In Europe, where our businesses are mainly linked to the automotive industry, the results were down on last year, but elsewhere trading surpluses increased substantially; in North America as a result not only of the bringing into production of the new facilities but also the progressive development of autoware distribution; in Asia and South Africa as a consequence of favourable market circumstances.

Rationalisation, reorganisation, closure and

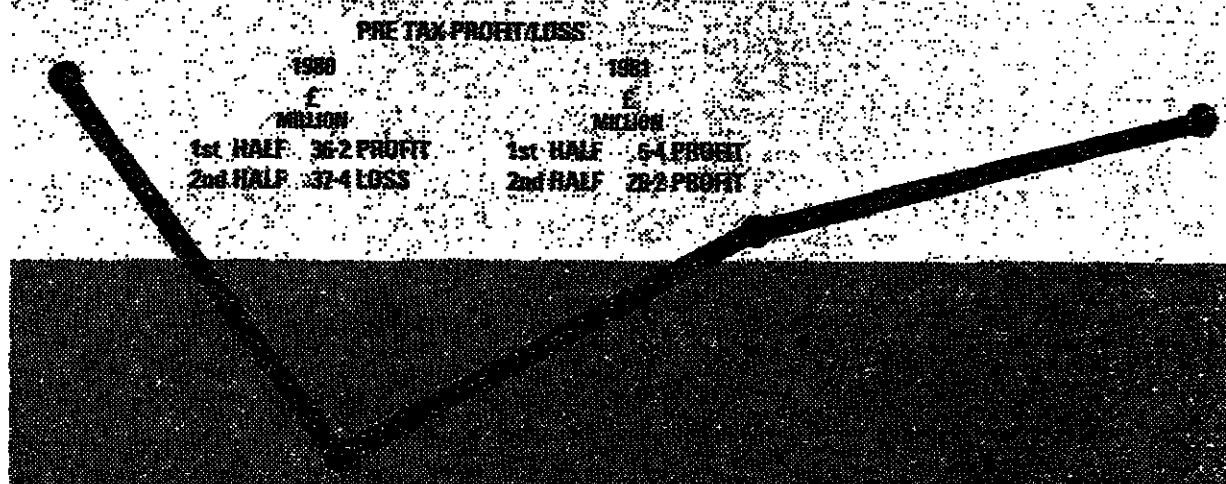
THE WORK OF RESTRUCTURING
HAS NOT YET FINISHED

divestment continued during the year in many businesses. Employee redundancy costs in on-going activities absorbed nearly £12 million and there were further charges under 'Extraordinary items' for discontinued activities of £25 million (of which £6 million was for employee redundancy). The total redundancy cost of £18 million relates to severance payments for almost 6,000 employees. All these figures are on a total Group basis, but the overseas proportion is small.

Thus, although the costs of reorganisation were less severe than in 1980, they still amounted to nearly £37 million compared with £75 million in the previous year.

Whilst many of the major problems have been dealt with at great cost in both financial and social terms, the work of restructuring has not yet finished, and further costs will have to be incurred in 1982 and beyond.

Following the completion of major schemes at



Brymbo and the bulk of the construction work on the new transmissions factories in the USA, capital spending was somewhat lower than in recent years at £84 million, of which £43 million was in respect of United Kingdom activities. These figures still represent however a very considerable investment in the modernisation and replacement of plant and

TOWARDS WORLD RATHER
THAN NATIONAL MARKETS

machinery in our businesses in the United Kingdom, Europe and elsewhere.

Expenditure on acquisitions was £18 million, comprising principally a half share in the waste management business of Cleanaway Ltd in the United Kingdom and a number of Autoparts distribution businesses which extended regional and product coverage in the USA and in France.

We have continued to pursue technological developments in new materials, new methods of manufacture and improved product design, all aimed at producing better, lighter and more accurately finished products, primarily for the automotive industry. Particular advances have been made in forging and squeeze forming techniques and in the use of composite materials which promise to reduce the weight of certain components by more than 50%.

Despite the very significant sums which have been absorbed in retrenchment and in the development of our on-going businesses, we have nevertheless achieved a positive cash flow and have contained total borrowings. This is a reflection of the stringent control exercised on working capital and of increased operating efficiencies.

In maintaining our programme for strategic change and development, we are moving towards more technically oriented products, towards distribution and services and towards world rather than national markets. In this context the development of our activities in the USA is of particular relevance.

In the mid-1970s that country was a relatively unimportant market for us — annual sales by our local companies were about £20 million and total Group

exports were about £16 million per annum. Since that time we have established production facilities in North Carolina for the manufacture of the product in which we are world leaders both in technology and supply — the constant velocity joint for front wheel drive and other applications. The second plant was commissioned on time, and within planned cost, in October 1981 and our confidence in the future of this investment has been reinforced by the achievements of 1981. As a parallel strategy we have also made substantial investments in the distribution of automotive accessories and replacement parts, the results of which amply justify our plans for further development and extension.

Sales by our indigenous companies in the USA totalled £161 million in 1981, and total Group exports

OPTIMISTIC ABOUT
OUR OWN ABILITY

to this market were £77 million. To some large degree the success of our export programme must be attributed to the additional strength which our local investments have given us in these markets, a pattern which we had already experienced in Europe where export growth in the mid-1970s followed directly from our earlier investments on the Continent.

More than ever before, this has been a year when the credit for what has been achieved is clearly due to our own efforts, no benevolent economic forces have assisted us; indeed quite the contrary. I would therefore like particularly to record my appreciation of the co-operation, efforts and achievements of all employees.

Current economic and market trends do not yet provide a firm base on which to build an optimistic forecast for 1982. There is no benign tunnel light twinkling nor any sign of an upturn to be poised for.

But I am more optimistic about our own ability to manage in difficult and dull circumstances, to react to change in markets and to seek and secure new opportunities.

In this lies my hope and confidence for achieving progressive prosperity for the GKN Group.

BIDS AND DEALS

Cussons Property Group has received planning consent for a £3m shopping development in the centre of South Shields.

Directors of Hemerdon Mining and Smelting think it probable that shareholders will receive the net proceeds of the sale of its proposed tungsten mine outside Plymouth: Mr Bud Schwarzwalder, chairman, said yesterday.

The option agreement for Bilston (UK) to buy Hemerdon's 50 per cent of the Hemerdon Ball mine for about £5.5m was formally completed yesterday.

Atlantic Resources has reported a significant test result from the Finney No 1 Well on the Pine Ridge Prospect drilled by its

associate, the PCX Corporation of Oklahoma City. The first tested interval between 20,408 to 20,436 ft flowed gas at rates of 5 million cubic feet per day.

A new single premium bond, the Henderson Natural Resources Fund, has been announced by Henderson Administration.

The fund will invest initially in the Henderson Oil and Natural Resources Trust and the Henderson Australian Trust. Minimum subscription for the 100p units is £1,000 and the fund will be linked to the Henderson Maximum Investment Plan.

Sun Life Assurance Company of Canada has announced its intention to stop selling its assurance in Malta because of the introduction of the Insurance Business Act.

APPOINTMENTS

Sir Henry Chilver has been appointed a director of TR Technology Investment Trust. Mr M. R. Block and Mr A. E. Buxton have been appointed directors of TR Australia Investment Trust; Mr C. J. Kendrick and Mr N. M. Shaw have been appointed directors of TR North America Investment Trust; Mr K. St Johnston has been appointed to the board of TR Pacific Basin Investment Trust from 1 May; Mr R. J. Assheton and Mr D. L. Dome have been appointed directors of TR Natural Resources Investment Trust; The Marquess of Tavistock has been appointed chairman and Mr G. C. Musson, Sir Jack Hughes and Mr P. C. Hyde-Thomson have been appointed directors of TR Property Investment Trust while Sir Anthony Touche and Mr A. I. McDonald have resigned from the board; Mr A. I. McDonald has been appointed a director of TR Industrial and General Trust and TR Trustees Corporation.

Mr Michael J. Brown has been appointed managing services director of the London Electricity Board.

Mr Michael Caddigan, Mr Matthew Windridge, Mr John Fuller, Mr Michael Mahoney and Mr Robert Pack have joined the partnership of Quilter Goodson. Mr Michael Chase has retired from the partnership after more than 40 years with Quilter Goodson and its predecessor firms. Mr Chase remains an associate member of the firm.

Mr John B. Fraser, president of Morgan Grenfell Inc. has joined the board of Morgan Grenfell Co. He will continue to be resident in New York.

Sir James Clemonson, chairman of Rectin and Colman, and Mr Eugene E. Brandy Jr who is a partner in the New York law firm of Rogers and Wells, will join the board of United Biscuits (Holdings) as non-executive directors at the annual meeting on May 11.

Mr L. W. Maclean has been appointed chief executive officer of Office Systems. He succeeds Mr J. E. Donnelly.

Mr John Wilson has been appointed deputy chief executive of KCA International. He will continue to be group finance director.

OVERSEAS
COMPANIES

Trading in the shares of Singapore's third largest circulation newspaper has been suspended at the request of the three publishing companies, the Singapore Stock Exchange announced.

Trading of Straits Times Press stock was stopped yesterday. Stock market transactions involving Sin Chew Jit Poh and Nanyang Siang Pau, the leading Chinese language dailies, were suspended on Wednesday. No reasons were announced for the suspensions.

Bencomer, S.A., the largest private bank in Latin America, yesterday announced its 1981 results, which show a 21.5 per cent increase in profits for the year ended December 31 over those for 1980.

Total assets were \$18,624m (about £10,232m) while net profits for the year amounted to \$1,585m compared with \$1,450m and \$1,301m respectively in 1980.

Hoechst UK, a British subsidiary of the West German Hoechst chemical group, will acquire 50 per cent of the share capital of TR of Services in Aberdeen-based company, distributing chemicals used in oil recovery. The acquisition will be effective from May 1.

Denny's Inc. expects to report a profit rise of about 37 per cent and an earnings per share increase of about 20 per cent for the third quarter ended March 28. Sales at Denny's coffee shops and doughnut house chain, are expected to show an increase of about 9 per cent for the quarter.

Base
Lending
Rates

ABN Bank	13 1/2%
Barclays	13 1/2%
BCCI	13 1/2%
Consolidated Crib	13 1/2%
C. Hoar & Co	13 1/2%
Lloyds Bank	13 1/2%
Midland Bank	13 1/2%
Nat Westminster	13 1/2%
TSB	13 1/2%
Williams & Glyn's	13 1/2%

* 7 day deposits on sight of £100,000 or more 11 1/2%
* 3 month deposits 12 1/2%

M. J. H. Nightingale & Co. Limited
27/28 Lovat Lane London EC6R 8EP Telephone 01-621 1212

The Over-the-Counter Market

1981/82																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																					
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